

Performance Measurement Survey 2025

A report on the returns generated by independent UK-managed private equity and venture capital funds that raise capital from third-party investors, and a comparison of these returns to public markets

June 2026



About this report

This report has been produced by UK Private Capital (formerly the British Private Equity and Venture Capital Association) to demonstrate the returns generated for investors by our members to 31 December 2025. The statistics in this report are the results of the UK Private Capital's Performance Measurement Survey, an annual survey of fund level cash flows and valuations collected from our members.

With a significant presence in the UK, developed over the past 40 years, private equity and venture capital funds provide companies with the finance and know-how to deliver sustainable business growth.

Active ownership, over the medium to long term, delivers economic and social value to those involved in the businesses (from employees, management and owners on the one hand, to customers and suppliers on the other) and a wide group of stakeholders (from local and regional economies, to national policy makers focused on issues such as climate change, diversity, equity and inclusion and social issues).

The Performance Measurement Survey looks at funds which invest in businesses at all stages of the growth lifecycle – from venture capital funds specialising in start-ups to large buyout funds investing in global corporations.

We at UK Private Capital firmly believe that private equity and venture capital funds are an exciting and attractive investment opportunity for pension schemes and other institutional investors, and the results of this survey show us why.

Alongside absolute returns, this report also presents the results of a Public Market Equivalent analysis, enabling investors to better assess the relative performance of private equity and venture capital compared to public markets.

For this edition of the report, we received submissions from 94 members out of a total eligible pool of 122 members, a response rate of 77%.

For those who wish to explore the data further, we have made the data tables in this report available for download on UK Private Capital website here, in excel format. We have also produced a [methodology paper](#) which provides a detailed overview of different ways of measuring private equity and venture capital performance. We hope these resources will prove valuable for industry participants, researchers and others wishing to find out more about the performance of private equity and venture capital funds.

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The Performance Measurement Survey represents the largest primary research survey of its kind in the UK.

Robust, accurate and transparent data is of the utmost importance and underpins our ability to articulate our economic contribution to society.

I want to thank all firms who provided us with data and enabled us to demonstrate the strong, long-term returns generated for investors.



Michael Moore
Chief Executive, UK Private Capital



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UK private capital at a glance

Industry return since 2006

12.4% p.a.

Overall industry since inception internal rate of return since 2006.

Industry return since 2016

13.5% p.a.

Overall industry since inception internal rate of return since 2016.

Total return since 2006

1.76x

Across the industry as a whole since 2006, investors own assets which, if realised at their 31 December 2025 values, would mean investors receive 1.76x their original investment.

Total return since 2016

1.63x

Across the industry as a whole since 2016, investors own assets which, if realised at their 31 December 2025 values, would mean investors receive 1.63x their original investment.

Wide range of returns

2.79x – 0.70x

Illustrative Industry-wide range of total return multiples to 31 December 2025 (10th-90th percentile funds from 2006 onwards).

FTSE All-Share comparison

8.0% p.a.

The analysis using the Capital Dynamics PME+ (PME+) method implies that, since 2006 if investors had made an equivalent investment in the FTSE All-Share Total Return Index, they would have achieved an internal rate of return of 8.0% p.a. significantly lower than the 12.4% p.a. internal rate of returns achieved by PE and VC.

MSCI Europe comparison

8.6% p.a.

The PME+ analysis implies that, since 2006 if investors had made an equivalent investment in the MSCI Europe Gross Total Return Index, they would have achieved an internal rate return of 8.6% p.a., significantly lower than the 12.4% p.a. internal rate of return achieved by PE and VC.

10 year horizon return

15.8% p.a.

vs 8.4% p.a. and 10.2% p.a. achieved by the FTSE All Share Index and the MSCI Europe Index.



Foreword

Private equity showed some signs of renewed momentum in 2025 following three years of muted activity, despite economic uncertainty and heightened geopolitical tensions.

Fundraising and investment levels remained solid, although average holding periods lengthened slightly. Exit activity was uneven across sectors, but collectively remained fairly subdued, with distributions to limited partners relatively flat and below levels seen in earlier years.

Despite continued market challenges, the industry has collectively delivered a strong 12.4% annualised internal rate of return (IRR) since 2006, underscoring two decades of exceptional private capital growth. Looking at the last 10 years, all suitably mature funds with the 2016 vintage onwards have collectively achieved an IRR of 13.5% supported by the strong Total Value to Paid-in multiple (TVPI) of 1.63x. The money multiple metric demonstrates that these funds would have returned 63% more than the capital invested, had all their assets been realised as at 31 December 2025 net of all costs and fees.

These returns however, are not guaranteed. Our range of returns show that, whilst the industry's performance is strong, returns vary between individual funds. Some funds ultimately may not generate a positive return, whilst others greatly outperform the pooled return.

Private equity and venture capital is an asset class with a long-term investment horizon and a history of delivering returns above those achieved by public markets. The simplest illustration of this is to compare the 15.8% ten year horizon return for funds managed by UK Private Capital's members to the equivalent annualised return of 8.4% and 10.2% for the FTSE All Share Index and the MSCI Europe Index respectively.

The Public Market Equivalent (PME) analysis, performed by UK Private Capital and included in the report, is another central piece of analysis helping investors to understand the relative performance of private capital. This analysis documents that private capital funds in our data set have collectively outperformed the public market as represented by the FTSE All Share Index and the MSCI Europe Index every year since 2006 except for three recent vintages (2019-2021). These recent vintages reflect a period of elevated entry valuations, followed by challenging market conditions, meaning general partners may require more time to achieve target returns. This is likely to involve a greater focus on operational improvements and longer holding periods.

The analysis using the Capital Dynamics PME+ (PME+) method implies that if investors in private capital since 2006 had made an equivalent investment in the FTSE All-Share Total Return Index or the MSCI Europe Index, they would have achieved a return of 8.0% p.a. or 8.6% p.a. respectively, both significantly lower than the 12.4% p.a. internal rate of return collectively achieved by funds in our dataset.

Looking ahead, private equity and venture capital funds will continue to navigate complex economic and market conditions. At the same time, the rapid advancements in generative AI have the potential to transform businesses – bringing opportunities and challenges. But as a long-term asset class, private capital is well positioned to navigate the broader economic landscape, create value and deliver attractive returns for investors.

We would like to thank all UK Private Capital members who contributed data and give special thanks to the members of the Performance Measurement Survey Review Board, who provide technical advice to UK Private Capital and help ensure the robustness of the processes undertaken to produce this report.



Richard Swann
UK Private Capital Chair
2026-27 and Partner, Inflexion



Richard McGuire
Private Equity Partner,
PwC

Report from the Performance Measurement Survey Review Board

About the Board

Established in 2019, the Performance Measurement Survey Review Board is an advisory group comprised of experienced individuals working across all parts of the private equity and venture capital industry – from fund managers to investors to academics. The Board's role is to advise on methodology and process and to ensure that the results are robust.

Board membership changes

We were pleased to welcome Dr. Rüdiger Stucke, Managing Director at CVC, to the Board in July 2025. Rüdiger has a wealth of experience across performance analysis and benchmarking and is the co-creator of the Direct Alpha Public Market Equivalent methodology.

Robustness of results

77% of firms who were members of UK Private Capital in February 2026, and who managed funds which met the criteria, responded to this year's survey, that is 94 firms in total. This is a strong response and in line with previous years considering the current year's list of eligible members.

The survey is based on cash flows and year-end valuations provided by each participating fund; neither UK Private Capital nor PwC is able to independently check the data provided. However, the UK Private

Capital research team has sought to verify the accuracy of data submissions via seeking sign-off/confirmation of fund level returns to investors from a senior contact at each member firm.

The response rate, sign-off process, the calculation verification procedures undertaken by PwC and the additional improvements give the Board confidence that the survey findings are robust. As the non-respondents among UK Private Capital members generally tend to be smaller firms with fewer assets under management, we believe that the pooled returns calculated in this study are representative of the UK Private Capital membership.

Interpreting results

This report intentionally provides significant detail on the returns to investors, looking at internal rates of return (IRR), two types of multiple of capital (Distributed to Paid In, or DPI and Total Value to Paid in, or TVPI) and two PME methodologies. Individual investors and fund managers will find that different combinations of these metrics work best for them in assessing their private equity and venture capital portfolios, which may vary depending on the age of the fund. It is important to consider all metrics together to get a full understanding of fund performance as investors rarely focus on a single metric. A full explanation of all metrics used can be found in the accompanying [Methodology Paper](#).

Current Board Members



Chair:
Fraser McLatchie
SEP



Mark Drugan
Formerly of Capital Dynamics



Candy Ip
Advent



Graeme Keenan
Pantheon



Jeremy Lytle
ECI Partners



Professor David Robinson
Duke University



Dr. Rüdiger Stucke
CVC

Report from the Performance Measurement Survey Review Board

Selection of benchmark index

A key input into any PME analysis is the public market benchmark, or index, which will be used as the comparison to the private market performance. Having considered the nature of the UK Private Capital Performance Measurement Survey dataset – the range of fund sizes, investment sectors, investment geographies and investment sizes, the Board recommended the use of the FTSE All-Share Total Return Index as the best comparator for the whole dataset and the MSCI Europe Gross Total Return Index as the best comparator for the entire dataset a close second.

If, in future, UK Private Capital decides to produce more granular analysis (for example, looking at venture only), then a different index may be more appropriate for subsets of the data.

Measurement timeframe

As the private equity and venture capital industry has grown significantly in recent decades, in 2024 the Board recommended a change to the starting point for each subsequent report. The data examined from the 2024 report onwards is a 20 year period. Therefore, this report principally focuses on vintages from 2006 onwards.

Commentary on findings

Despite an uptick in exit activity in certain sectors in 2025, private capital distributions have remained subdued and as a proportion of net asset value are below historical averages. Valuation gaps and macro conditions are contributing to a relatively slower period of exit activity with fund managers holding on to their assets for longer.

Public markets, by contrast, delivered strong short-term returns in 2025, particularly in equities driven by technology and AI - related sectors, outpacing private equity, whose performance continued to reflect conservative valuations and slower realisation cycles.

Relative performance metrics are essential for assessing performance of the private capital industry across market cycles and benchmarking it against other asset classes. Results from the PME analysis demonstrate that private equity and venture capital has outperformed public markets in the long term.

We are pleased to be able to contribute to the available research into the returns from private equity and venture capital to investors, and we hope the Performance Measurement Survey will continue to be an important resource for investors, industry participants and those who study or wish to learn more about the returns generated by the asset class.



Guide to this report

This report is structured as follows:

- **Sections 1 to 4** look at various measures of returns across different time periods. We present IRRs and multiples concurrently within each time period to give a fuller picture of fund performance.
- **Section 5** focuses on benchmarking the performance of private equity and venture capital against the public markets using two PME methodologies: the Capital Dynamics PME+ (PME+) and the Kaplan Schoar PME (KS-PME). It also presents private equity and venture capital Horizon IRRs compared to average annualised returns of public indices.
- **Section 6** summarises the key takeaways from the report.

Finally, the appendices cover methodology, definitions, the amount of capital raised and the list of responding firms.

We also present a separate [Data Tables Addendum](#) with the results of our calculations in total and by investment stage and subcategory or type of investment for each of the measures used in this report. This includes analysis by vintage year band to enable a more precise comparison to the funds in our dataset. The accompanying [data pack](#) also presents the results of the PME analyses using the selected indices.

In addition, we have published a separate methodology paper, which provides an explanation of the different ways of measuring the returns of private equity and venture capital along with approaches to benchmarking the performance of the asset class against that of the public markets using various PME methodologies.

Who is this report written for?

This report is primarily written for individuals who have a finance background and are at least somewhat familiar with private equity and venture capital. A full explanation of the key concepts can be found in the accompanying [methodology paper](#).

If you have any questions or comments on this report, including technical queries, please feel free to reach out to the UK Private Capital research team.

[Get in touch >](#)



Since inception performance

by vintage year

Returns by vintage year allow us to see how the industry performs at different stages of investment, but it also allows us a glimpse into the effects of economic cycles in performance. To give our readers a clear picture of the return of the industry over different vintage years, we present both IRRs since inception and the Total Value to Paid-In (TVPI) and Distributed Value to Paid-In (DPI) multiples. The Total Value multiple is the sum of the amounts already distributed to investors plus the remaining value in the ongoing portfolio.

Chart 1 – Since inception IRR (%) by vintage year to December 2025

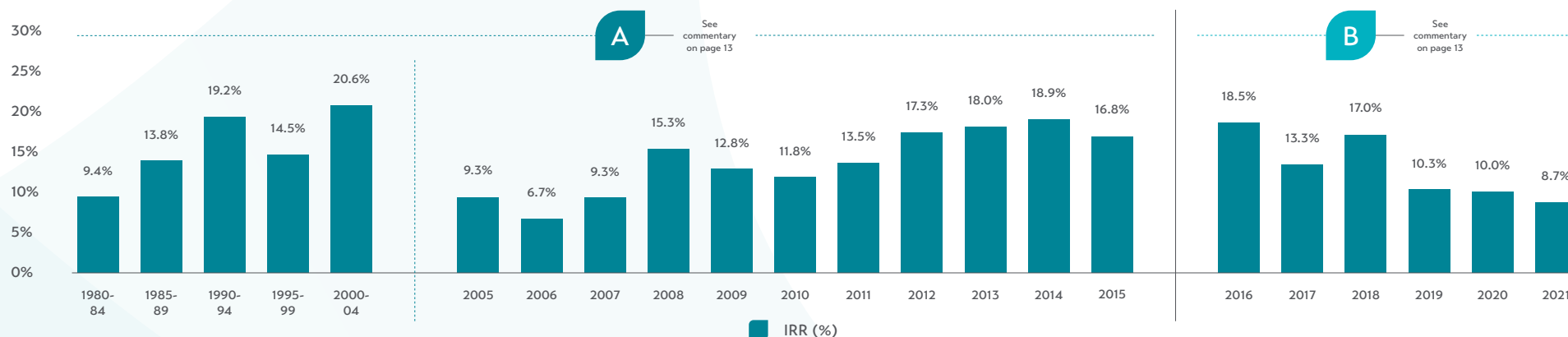
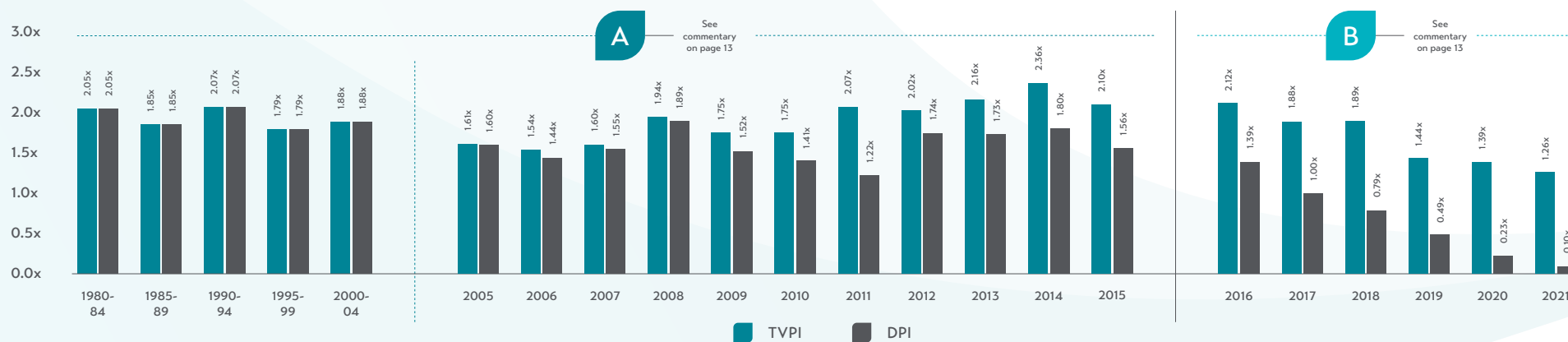


Chart 2 – Since inception multiples of invested capital by vintage year to December 2025



Since inception performance

by vintage year // commentary

A

Historical Performance

Money multiples for funds with vintages between 1980 and 2004 have the same value for both TVPI and DPI, meaning that these funds have finished distributing all their capital and therefore an IRR presented in chart 1 is the actual realised return for those vintages. Funds of vintage years between 2005 and 2007 are the lowest performing vintages in terms of IRR, however, their TVPI multiples are reasonably strong at around 1.58x. Lower IRRs for the 2005-2007 vintages are due to the fact that these funds had to hold on to investments for longer to rebuild portfolios hit hard by the global financial crisis. As expected, TVPI and DPI are not too dissimilar, indicating that funds in these vintages are approaching the end of their life cycle. Although the returns for these vintages on an IRR basis may appear disappointing relative to investments made in other years, private equity and venture capital is not immune to the impact of the economic cycle so a lower return is unsurprising. As a reminder, funds which did not manage to deliver

a return to investors above the agreed hurdle rate will not receive any carried interest payments as investors have first call on all returns generated.

B

The Last Decade

The majority of funds that started investing in the last 10 years, that is funds of vintage year 2016 onwards will still be active – investing in businesses to generate value for investors. We can see that the divergence between DPI and TVPI increases for younger funds, as they have not yet made significant realisations and will hold a lot of value in current portfolio companies. Relative to the 31 December 2024 results, the IRRs have marginally decreased, as assets have been held for longer due to continued market challenges. We caution that as the funds are active these are interim IRRs, and the final return to investors will reflect what value can be realised when assets are eventually exited.

Based on the recent figures, the best performing vintage year in the last decade is 2016 with an IRR of 18.5% followed by 2018 with an IRR of 17.0%. On a multiples basis it is the 2016 vintage year, which has DPI of 1.39x, meaning investors have received back nearly 40% more than their initial investment while a substantial portion of funds' value is still unrealised (TVPI of 2.12x).



A note on subscription lines

Subscription lines (also known as subscription facilities) are where funds borrow money from banks or other financial institutions collateralised against the capital commitments made by investors. These are frequently used for administrative purposes where cash is needed quickly but it may take a short time to access the capital committed by investors. Subscription lines give flexibility and allow funds to respond quickly to opportunities when needed.

Use of subscription lines delays the drawdown of capital, reducing the amount of time capital is outstanding so the internal rate of return is increased for a given absolute return. The impact of subscription lines on the IRR is highest immediately after drawdown and reduces over the life of the investment. If use of subscription facilities delays the first drawdown of capital from LPs to the next calendar year, this will also impact the vintage year we report for the fund.

The prevalence of subscription lines increased over the last decade, partly driven by the low interest rate environment. However, due to higher borrowing costs over the past few years, the duration for which subscription lines are used has declined.

Since inception performance

by vintage year // commentary and explanation of range of returns

Figures presented earlier in chart 1 and 2 represent the pooled return across the data set by vintage year. Investing in private equity and venture capital funds does involve putting capital at risk, and not all investments succeed. We illustrate this point from a vintage year perspective on charts 3, 4 and 5 on the subsequent pages, which show the range of returns achieved by funds within each vintage year looking at IRR, TVPI and DPI, and can be used to benchmark performance of funds in each specific year.

Key observations from these charts are:

- The variation in the returns from different funds is significant, so diversification is essential to manage this risk. Just as most investors in public equities own a portfolio of stocks rather than shares in just one company, institutional investors will typically invest in multiple private equity and venture capital funds with a view to maximising the risk-adjusted returns on the overall private equity and venture capital investment portfolio.

- Just like investments in the stock market can go down as well as up, not all investments in private equity and venture capital funds earn a return. In every single year in our dataset, the lowest performing funds have failed to generate a positive return for investors.
- The returns from investing in private equity and venture capital can be very strong. Taking the group comprising the 2000 to 2004 vintage years as an example, the top performing funds (10th decile) delivered an IRR of 35.7% alongside a multiple of 2.7x invested capital (on both a distributed value and a total value basis). Given that funds that started between 2000 and 2004 are now more than 20 years old and have presumably repaid capital to investors, this represents an actual realised return.

Further details on the range of returns by investment stage and subcategory can be found in the [data pack](#).



Range of returns IRR

by vintage year // data

Chart 3 – Range of returns – Since inception IRR (%) by vintage year

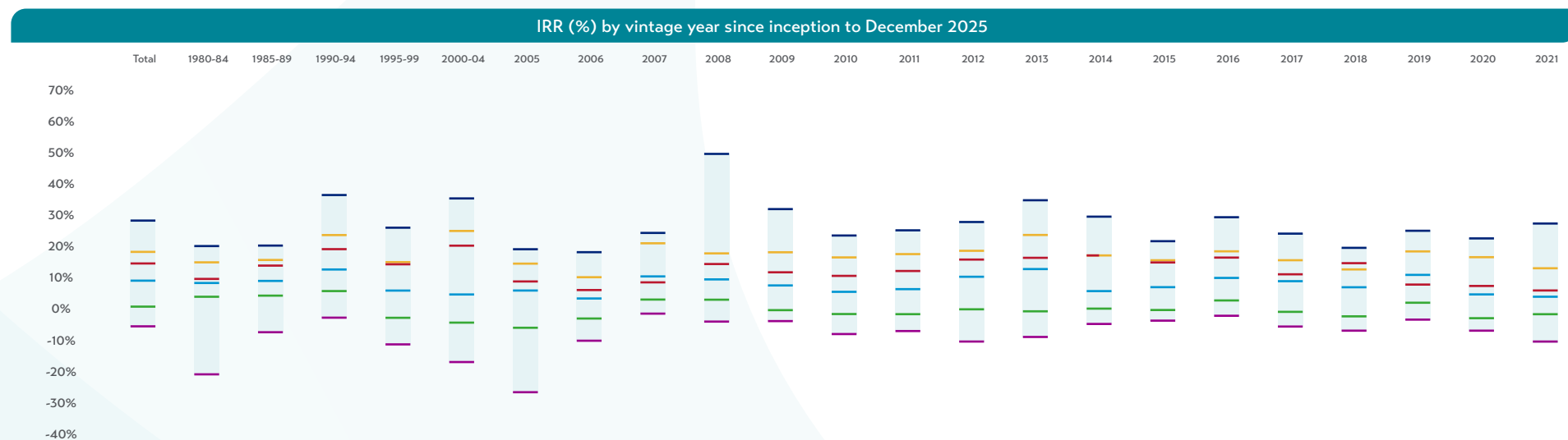


Table 1 – Range of returns – Since inception IRR (%) by vintage year

No. of funds	924	13	67	64	87	107	26	42	39	29	23	22	19	24	27	37	43	38	41	45	43	45	43
Pooled return	14.2	9.4	13.8	19.2	14.5	20.6	9.3	6.7	9.3	15.3	12.8	11.8	13.5	17.3	18.0	18.9	16.8	18.5	13.3	17.0	10.3	10.0	8.7
10th percentile	27.9	19.9	20.2	36.5	26.2	35.7	19.6	18.8	25.1	50.5	33.0	24.7	26.5	29.3	36.4	31.3	23.6	31.4	26.3	21.9	27.5	25.2	30.1
25th percentile	17.9	14.7	15.6	23.7	15.2	25.3	15.0	10.8	15.9	18.7	19.2	17.7	18.9	20.1	25.3	18.9	17.4	20.5	17.8	15.0	20.9	19.2	15.8
Median	8.7	8.1	8.9	12.7	6.1	5.0	6.4	4.0	11.2	9.8	8.6	6.7	7.7	11.8	14.4	7.5	8.9	12.0	11.1	9.3	13.4	7.3	6.7
75th percentile	0.4	3.7	4.2	5.8	-2.6	-4.0	-5.5	-2.4	3.8	3.9	0.7	-0.4	-0.3	1.4	0.9	1.9	1.6	4.8	1.3	0.0	4.5	-0.3	0.0
90th percentile	-5.9	-21.1	-7.0	-2.7	-11.1	-16.6	-26.1	-9.5	-0.7	-3.1	-2.8	-6.8	-5.2	-9.9	-7.3	-3.0	-1.8	-0.1	-3.4	-4.5	-0.9	-4.4	-9.2
Interdecile range	33.8	41.0	27.2	39.1	37.3	52.3	45.7	28.3	25.8	53.7	35.8	31.5	31.6	39.2	43.8	34.3	25.4	31.5	29.7	26.4	28.4	29.6	39.4
Range of returns	259.2	56.8	67.6	74.3	112.4	120.3	90.2	135.0	54.9	93.8	58.2	58.4	41.0	57.6	91.9	197.3	41.7	81.5	53.4	138.8	104.7	56.9	85.4

Range of returns TVPI

by vintage year // data

Chart 4 – Range of returns – TVPI multiple by vintage year

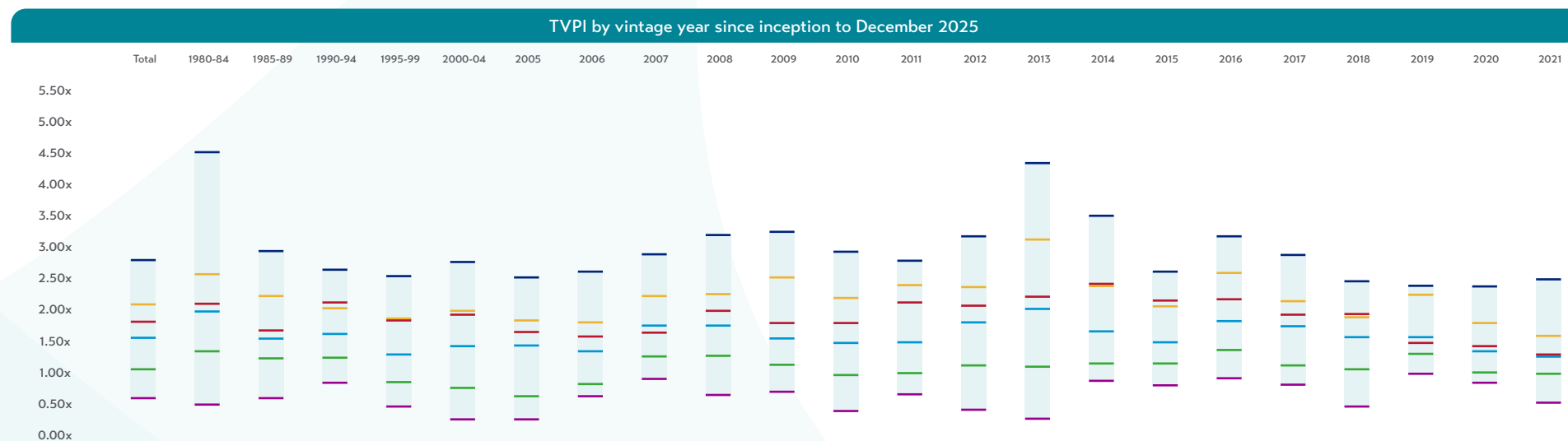


Table 2 – Range of returns – TVPI multiple by vintage year

No. of funds	924	13	67	64	87	107	26	42	39	29	23	22	19	24	27	37	43	38	41	45	43	45	43
Pooled return	1.77x	2.05x	1.85x	2.07x	1.79x	1.88x	1.61x	1.54x	1.60x	1.94x	1.75x	1.75x	2.07x	2.02x	2.16x	2.36x	2.10x	2.12x	1.88x	1.89x	1.44x	1.39x	1.26x
10th percentile	2.73x	4.41x	2.87x	2.58x	2.48x	2.70x	2.46x	2.55x	2.82x	3.12x	3.17x	2.86x	2.72x	3.10x	4.24x	3.42x	2.55x	3.10x	2.81x	2.40x	2.33x	2.32x	2.43x
25th percentile	2.04x	2.51x	2.17x	1.98x	1.82x	1.94x	1.79x	1.76x	2.17x	2.20x	2.46x	2.14x	2.34x	2.31x	3.05x	2.35x	2.01x	2.53x	2.09x	1.84x	2.19x	1.75x	1.55x
Median	1.52x	1.93x	1.75x	1.58x	1.26x	1.39x	1.40x	1.31x	1.71x	1.71x	1.51x	1.44x	1.45x	1.76x	1.97x	1.62x	1.45x	1.78x	1.70x	1.53x	1.53x	1.31x	1.24x
75th percentile	1.03x	1.31x	1.20x	1.21x	0.83x	0.74x	0.61x	0.80x	1.23x	1.24x	1.10x	0.94x	0.97x	1.09x	1.07x	1.12x	1.12x	1.33x	1.09x	1.03x	1.27x	0.98x	0.96x
90th percentile	0.58x	0.48x	0.58x	0.82x	0.45x	0.25x	0.25x	0.61x	0.88x	0.63x	0.68x	0.38x	0.64x	0.40x	0.26x	0.85x	0.78x	0.89x	0.79x	0.45x	0.96x	0.82x	0.51x
Interdecile range	2.15x	3.93x	2.29x	1.76x	2.03x	2.45x	2.21x	1.93x	1.94x	2.49x	2.49x	2.48x	2.08x	2.70x	3.97x	2.57x	1.76x	2.21x	2.03x	1.95x	1.37x	1.50x	1.92x
Range of returns	9.18x	4.92x	5.05x	4.18x	5.35x	5.53x	3.36x	3.57x	5.60x	7.16x	5.33x	2.89x	4.04x	5.05x	4.82x	4.61x	3.53x	9.18x	4.14x	6.20x	3.51x	2.53x	3.86x

Range of returns DPI

by vintage year // data

Chart 5 – Range of returns – DPI multiple by vintage year

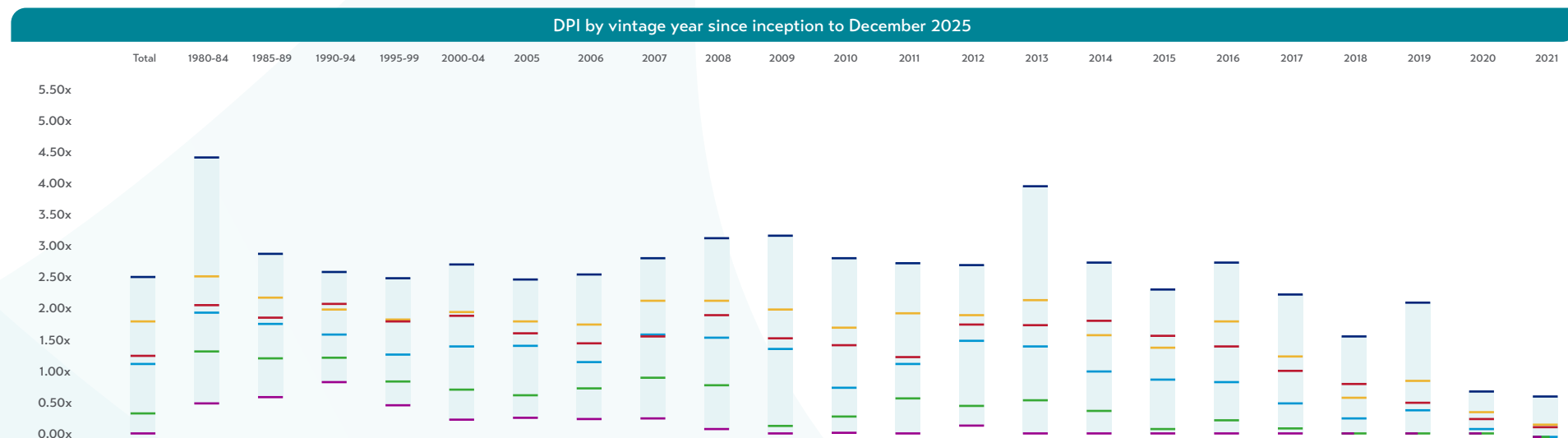


Table 3 – Range of returns – DPI multiple by vintage year

No. of funds	924	13	67	64	87	107	26	42	39	29	23	22	19	24	27	37	43	38	41	45	43	45	43
Pooled return	1.24x	2.05x	1.85x	2.07x	1.79x	1.88x	1.60x	1.44x	1.55x	1.89x	1.52x	1.41x	1.22x	1.74x	1.73x	1.80x	1.56x	1.39x	1.00x	0.79x	0.49x	0.23x	0.10x
10th percentile	2.50x	4.41x	2.87x	2.58x	2.48x	2.70x	2.46x	2.54x	2.80x	3.12x	3.16x	2.80x	2.72x	2.69x	3.95x	2.73x	2.30x	2.73x	2.22x	1.55x	2.09x	0.67x	0.59x
25th percentile	1.79x	2.51x	2.17x	1.98x	1.82x	1.94x	1.79x	1.74x	2.12x	2.12x	1.98x	1.69x	1.92x	1.89x	2.13x	1.57x	1.37x	1.79x	1.23x	0.57x	0.84x	0.34x	0.14x
Median	1.11x	1.93x	1.75x	1.58x	1.26x	1.39x	1.40x	1.14x	1.58x	1.53x	1.35x	0.73x	1.11x	1.48x	1.39x	0.99x	0.86x	0.82x	0.48x	0.24x	0.37x	0.07x	0.00x
75th percentile	0.32x	1.31x	1.20x	1.21x	0.83x	0.70x	0.61x	0.72x	0.89x	0.77x	0.12x	0.27x	0.56x	0.44x	0.53x	0.36x	0.07x	0.21x	0.08x	0.00x	0.00x	0.00x	0.00x
90th percentile	0.00x	0.48x	0.58x	0.82x	0.45x	0.22x	0.25x	0.23x	0.24x	0.07x	0.00x	0.01x	0.00x	0.10x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x	0.00x
Interdecile range	2.50x	3.93x	2.29x	1.76x	2.03x	2.48x	2.21x	2.31x	2.56x	3.05x	3.16x	2.79x	2.72x	2.59x	3.95x	2.73x	2.30x	2.73x	2.22x	1.55x	2.09x	0.67x	0.59x
Range of returns	7.27x	4.92x	5.05x	4.18x	5.35x	5.53x	3.36x	3.60x	5.60x	7.23x	3.61x	2.98x	4.40x	3.11x	4.82x	4.41x	3.14x	3.99x	2.85x	2.89x	2.21x	2.88x	2.61x

Since inception starting from a specific year

Commentary

The Performance Measurement Survey dataset goes back to 1980 enabling us to track industry performance over more than 40 years.

However, as the investment environment today looks very different from the 1980s and 1990s, this report principally presents data from 2006 onwards. In this section we present since inception return starting from different points in time, including selected older vintages for comparison.

As of December 2025, funds with vintages between 2006 and 2021 have delivered a since inception IRR of 12.4%. This strong return is supported by the Total Value to Paid-In (TVPI) multiple of 1.76x and a Distributed to Paid-In (DPI) multiple of 1.09x. i.e. on current expectations, investors expect a total return of 176% of their original investment, with their original capital plus and extra 9% already paid out.

More information on returns of legacy funds can be found in the [data pack](#).

Are legacy funds skewing the current return results?

IRR calculations have an implicit re-investment assumption – all cash flows are assumed to be able to be reinvested at the calculated return through the life of the investment. Early cashflows can have an outsized impact on the result as these are assumed to be reinvested for a longer period of time – thus if funds starting at the beginning of our sample in 1980 performed exceptionally well, then this could still have an impact on the overall since inception return for the industry today.

Our data shows that although including legacy funds might inflate industry performance, this doesn't appear to be the case for UK private equity and venture capital funds. On the contrary excluding older funds increases the more recent performance of some vintages in our sample, particularly for funds launched between 2008 and 2014.

Since 2007, except for vintages starting from 2018 to 2021, the industry has delivered a minimum since inception IRR of 13.0%. Funds with vintages starting from 2018 to 2021 have delivered a net IRR of between 12.6% and 8.7%. It's worth noting that vintages starting from 2017 onwards have above the average proportion of technology funds relative to vintages starting from 2007 to 2016. The impact of AI-driven disruption across the technology sector, alongside growing uncertainty around SaaS valuations, might have contributed to weaker interim returns for these younger funds.

Refreshing the concept

Since inception return is calculated as a pooled return for the entire industry, excluding the four most recent vintage years (2022–2025). Since inception starting from, therefore, refers to all funds starting at a certain vintage up to the 2021 vintage. For instance, since inception return starting from 2012 represents the return for all funds of vintage 2012 onwards until 2021, since 2021 is the last vintage included in the calculations. Since inception return starting from 2021 refers to funds with vintage 2021 only. Please refer to the [methodology paper](#) for more information on the since inception starting from a specific year measure.



Since inception starting from a specific year

IRR and multiples // data

Chart 6 – Since inception IRR (%) starting from a specific year

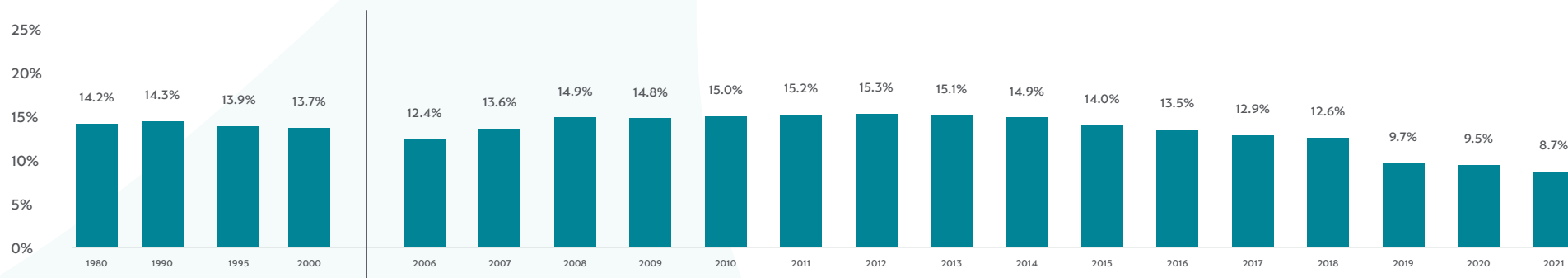


Chart 7 – TVPI and DPI starting from a specific year

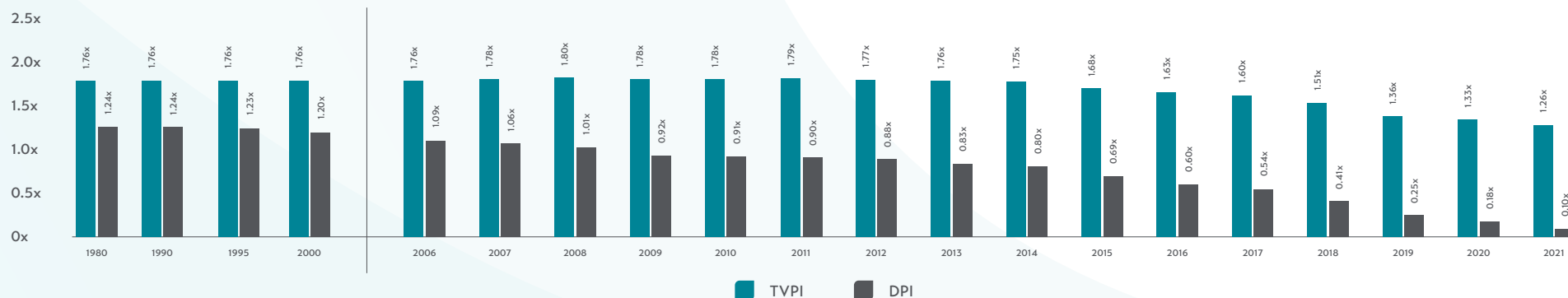


Table 4 – Number of funds included in each starting from category

Vintage year	1980	1990	1995	2000	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
No. of funds in calculation	924	844	780	693	560	518	479	450	427	405	386	362	335	298	255	217	176	131	88	43

Since inception performance

by investment stage and subcategory // commentary

The breadth of our dataset enables us to segment the data by investment stage (Large Private Equity, Mid-Private Equity, Small Private Equity and Venture) and by subcategory (geographic and sector splits), allowing for a more granular analysis of performance across specific subsets of private equity and venture capital funds.

Industry return since 2006

We can see that that, in total, funds starting from 2006 onwards have generated an IRR of 12.4% and a Total Value to Paid-In (TVPI) multiple of 1.76x. This means that the value of the fund is 176% of the capital invested. 109% of this original capital has been returned to investors, giving a Distributed to Paid-In (DPI) multiple of 1.09x. There remains substantial value in funds' portfolios which are yet to be realised with value equal to two thirds of the capital drawn down as yet unrealised - a Residual Value to Paid-In (RVPI) multiple of 0.67x.

Investment stages

Large private equity has outperformed other stages over this period when looking at IRR with a return of 13.4%. Venture is the leading performer when looking at TVPI with a multiple of 1.93x, although with a lower IRR of 11.7%, reflecting the longer holding periods we see at this investment stage.

The [UK Private Capital Report on Investment Activity 2025](#) shows that average holding periods for private equity and venture capital investments have lengthened, from around 4-6 years ten years ago to 6-7 years in more recent years. Holding periods for Venture investments are now almost 7 years, and for successful businesses which have grown and scaled over time, can be ten years or more.

Subcategories

Technology funds are the leading subcategory, with an IRR of 15.2%, and a TVPI multiple of above two, meaning that if these assets are realised at current values, investors will have

doubled their money. More than half of this (107% of investors' capital) has already been returned, with significant amounts equivalent to 95% of the drawn down capital still held in investments.

There is minimal variation between geographic subcategories for funds starting from 2006 onwards, with IRRs around 12.4% and TVPI multiples of around 1.75x.

Refreshing the concept: Multiples of invested capital

During the life of a private equity or venture capital fund there are two sources of return, which together make up to the total value of the fund:

1. capital which has already been returned, or distributed back to investors
2. capital which remains invested in portfolio companies, which is an asset yet to be realised.

$$\text{Total value} = \text{Distributed Value} + \text{Residual Value}$$

These can also be expressed as a multiple of the invested capital, which are important metrics considered by LPs alongside the internal rate of return (IRR).

$$\text{Total Value to Paid-In} = \frac{(\text{Fund Distributions} + \text{Residual Portfolio Value})}{\text{Total Fund Drawdowns}}$$

$$\text{Distributed Value to Paid-In} = \frac{\text{Fund Distributions}}{\text{Total Fund Drawdowns}}$$

$$\text{Residual Value to Paid-In} = \frac{\text{Residual Portfolio Value}}{\text{Total Fund Drawdowns}}$$

In equation form this can be expressed as:

$$\text{Total Value to Paid-In (TVPI)} = \text{Distributed Value to Paid-In (DPI)} + \text{Residual Value to Paid-In (RVPI)}$$

For a full explanation, please see our [Methodology Paper](#). Additional detail on the returns by vintage year in each category can be found in the [data pack](#).

Since inception performance

by investment stage and subcategory

Chart 8 – Since inception IRR (%) by investment stage: 2006 vintage funds onwards

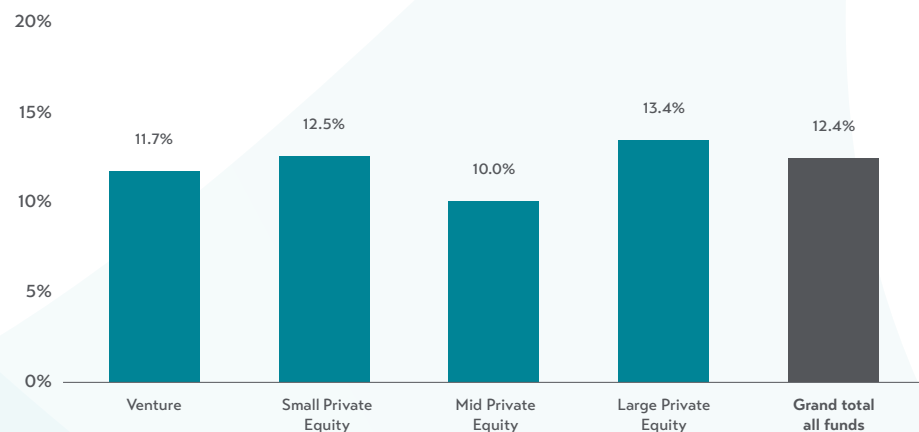


Chart 9 – Since inception money multiples by investment stage: 2006 vintage funds onwards

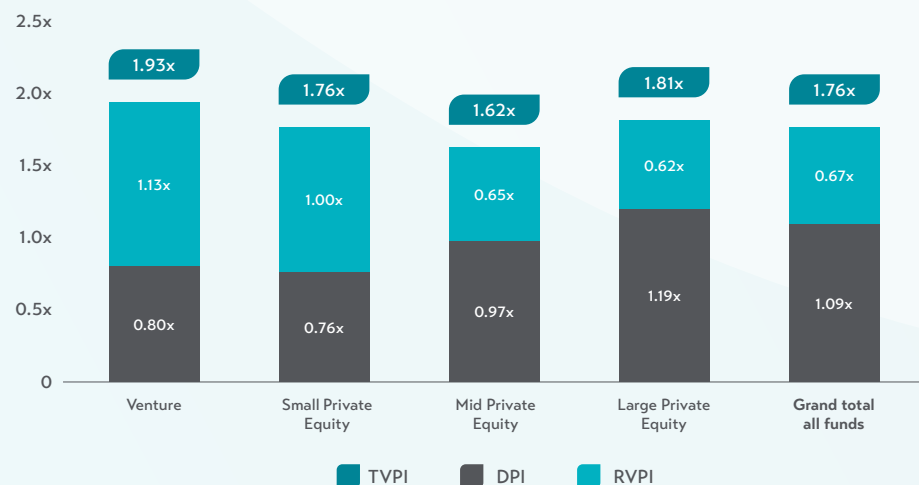


Table 5 – Number of funds included in each investment stage: 2006 vintage funds onwards

	No. of funds
Venture	165
Small Private Equity	143
Mid Private Equity	199
Large Private Equity	53
Grand total all funds	560

Investment stage refers to the size and stage of development of the companies which the fund is looking to invest in.

The current investment stage classifications:

- Venture (Invests in companies in the seed (concept), start-up (within three years of a company's establishment) and early stages of development).
- Small private equity (Invests less than £10 million of equity in each transaction).
- Mid-market private equity (Invests between £10 million to £100 million of equity in each transaction).
- Large private equity (Invests more than £100 million of equity in each transaction).

More information on the historical investment stage classifications can be found in the [appendix 2](#).

Since inception performance

by investment stage and subcategory

Chart 10 – Since inception IRR (%) by subcategory: 2006 vintage funds onwards

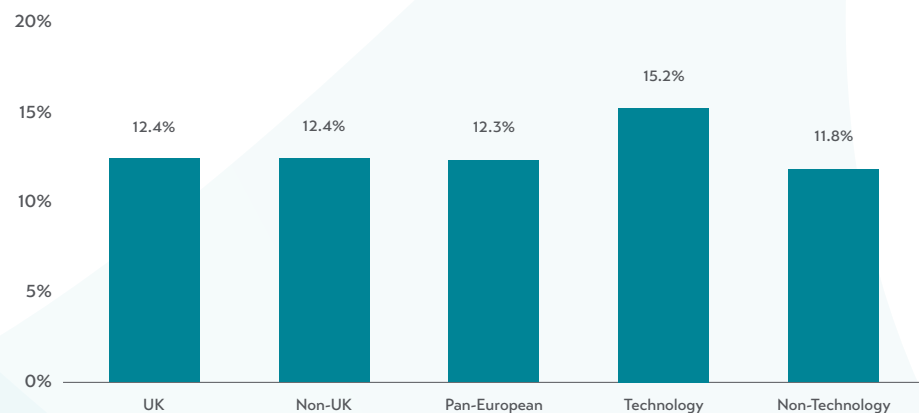


Chart 11 – Since inception money multiples by subcategory: 2006 vintage funds onwards

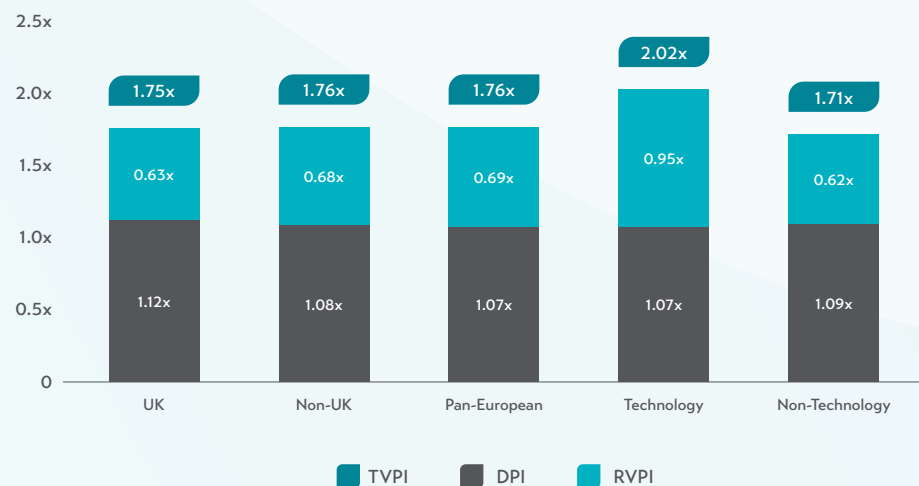


Table 6 – Number of funds included in each subcategory: 2006 vintage funds onwards

	No. of funds
UK	302
Non-UK	258
Pan-European	253
Technology	182
Non-Technology	378

Subcategory refers to the fund investment focus, whether by geography or sector. These are:

- UK (Invests 60% or more of raised capital into UK companies).
- Non-UK (Invests less than 60% of the fund into UK companies).
- Pan-European (Invests 60% or more of raised capital into companies in two or more European countries which may include the UK).
- Technology (Invests 60% or more of raised capital into technology companies).
- Non-Technology (Invests less than 60% of the fund in technology companies).

More information on the subcategory classifications can be found in the [appendix 2](#).

Horizon performance

IRR by investment stage and subcategories

Private equity and venture capital is a long-term asset class. The ten year horizon IRR figure gives a reliable picture of the overall performance of the industry capturing the intended investment period and potential value creation over multiple years. In contrast, the one year horizon return should be interpreted with caution as these figures are not a realistic representation of private equity and venture capital performance since it is typically not possible to invest in private capital funds for just a year. However, the one year return is a useful indicator of the economic conditions in a particular year.

Ten Year Horizon

As the most stable horizon, the ten year return IRR for all investment stages and subcategories remained flat relative to 2024 at 15.8%. Consistent with previous years' results Large Private Equity continues to outperform other investment stages on the ten year horizon, delivering a return of 19.0% in 2025. Technology funds are the top performing subcategory in this group, despite the largest decline on the ten year horizon relative to 2024 (18.3% versus 19.7%).

One Year Horizon

2025 was a markedly better year for the private equity and venture capital industry. The one year horizon return has increased from 2.1% in 2024 to 9.5% in 2025. Large Private Equity registered the largest increase moving from 2.4% in 2024 to 11.3% in 2025 and outperforming other investment stages on the one year horizon. At the other end of the spectrum remained venture with the flat horizon return (-0.4%). From the investment subcategories standpoint, the returns for non-technology funds have improved significantly from the negative territory in 2024 (-1.8%) to 8.3% in 2025. Technology funds were the standout performers, delivering returns of 13.4 % over the one year horizon, followed by Pan-European funds at 10.3%.

Chart 12 – Horizon performance – IRR (%) by investment stage

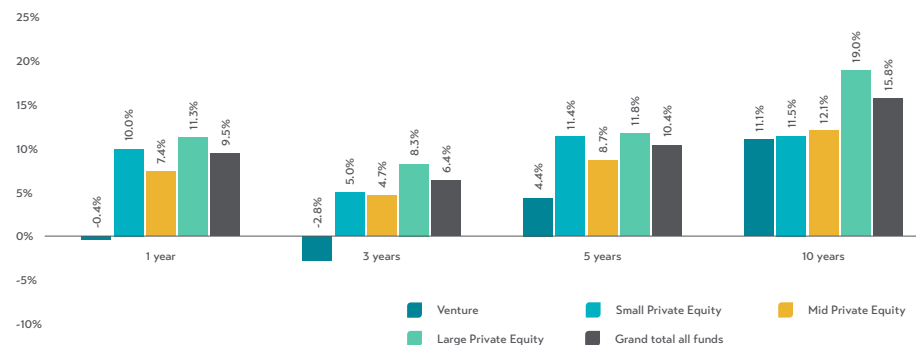


Chart 13 – Horizon performance – IRR (%) by investment subcategory



Benchmarking performance

Introduction

One of the unique and defining characteristics of private equity and venture capital is the irregular timing and size of cash flows to and from the fund. As such, the IRRs are not directly comparable with more standard measures of returns which makes benchmarking the performance of private equity and venture capital with that of more traditional asset classes (public markets) far from straightforward.

PME methods developed by academics and industry practitioners effectively address this problem, making it possible to compare the performance of private equity and venture capital to the performance of public indices. The PME metric essentially adapts public market returns into an IRR-like metric that takes into consideration irregular and fluctuating cash flows. There are multiple ways to calculate a PME and we present them in more detail in the methodology paper.

UK Private Capital uses both the Capital Dynamics PME+ (PME+) and the Kaplan-Schoar PME (KS-PME) methodologies. Selecting the right index when using a PME method is crucial, as different indices can lead to different results. We provide an overview of our dataset and the selected indices on the following page. As with IRR calculations, it is also important to highlight that each PME methodology serves as an approximation until the funds are fully realised.

Similar to the previous editions of the PMS report we also contrast horizon IRRs of private equity and venture capital to the one, three, five and ten year returns of public indices. Although, for reasons explained earlier, the return metrics between both asset classes are not fully comparable, they provide a good indication of the performance of each asset class over the short, medium and long term.



Benchmarking performance

Selection of benchmark indices

The importance of index selection

The most important judgement to make when calculating any PME results is the selection of the benchmark index. There are two approaches to selecting a benchmark index:

1. Replication approach which endeavours to match the private market portfolio as closely as possible, through consideration of the range of investment sizes, sectors and geographies. This approach more closely shows the relative performance of the fund manager.
2. Opportunity cost approach which takes into consideration the alternative investment options open to investors and reflecting a different strategy or sector mix.

Consistent with academic literature, we have adopted the first approach, looking to use indices which have features which most closely align with our dataset, as our objective is

to assess the relative performance of private capital funds in our dataset. It is important to note, however, that the indices we select are not the only alternative place in which investors could have placed their money.

Overview of funds in the UK Private Capital PMS dataset since 2006

Investment size (by amount invested):

- 65% of the funds in our database invest in Large Private Equity (over £100 million invested in equity per transaction);
- 24% invest in Mid Private Equity (Between £10 and £100 million invested in equity per transaction);
- 6% invest in Small Private Equity (less than £10 million invested in equity per transaction); and
- 4% are Venture Capital funds.

Investment sectors / regions (by amount invested):

- 20 % of the funds in our dataset focus on technology.
- 11% of the funds in our dataset invest only in the UK, 88% in European countries (which may include the UK) and 12% in other regions.

From our other studies, such as the Report on Investment Activity, we know that our member firms invest in a varied range of sectors, particularly technology, consumer goods and services, business products and services, biotech and healthcare and financial and insurance activities.

Investment currency¹

- 17% Pounds Sterling
- 70% Euros
- 13% US Dollar

¹We use end of day mid-rates from oanda.com to convert between currencies



Selection of benchmark indices

Benchmark indices

Taking into consideration the broad range of investment sizes, sectors and geographies, we require a broad based UK or European index to be comparable.

We have identified two indices which meet this criteria:

- The FTSE All Share Index; and
- The MSCI Europe Index

In both cases we select a Total Return Index (see a note on dividends & trading costs for further information).

We have adopted the Euro denominated MSCI Europe Index, for which daily data is available from 1 January 2001.

A note on dividends & trading costs

Index providers typically publish at least two versions of the same index:

- 1.) a price level index which reflect the share prices of the underlying stocks on each day; and
- 2.) a total return index, which reflects the fact that publicly quoted companies frequently pay dividends to shareholders. When dividends are paid out these are assumed to be reinvested in the index, hence the total return index is a better reflection of what an investor would earn if buying and holding the index for a longer period of time.

As the cashflows in our dataset contain dividends, the Total Return measure is the most appropriate for our purposes.

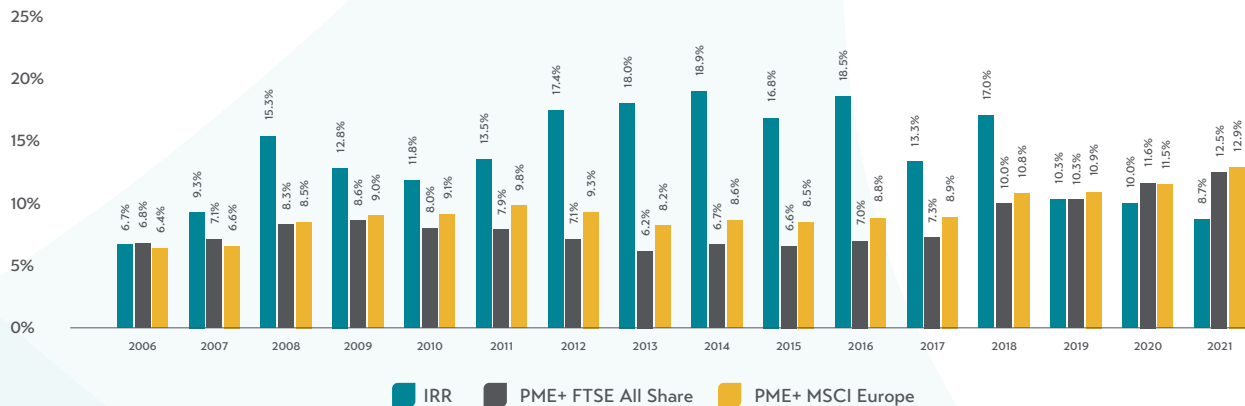
UK Private Capital reports performance (IRR, TVPI and DPI) net of fees, whereas public equity will have trading costs. However, since the PME analysis implies that investments are made into an index, trading fees are negligible, making it a reasonable comparison.



Benchmarking performance

Since Inception analysis by vintage year – PME+ and KS-PME

Chart 14 – Since Inception IRR and PME+ by vintage year



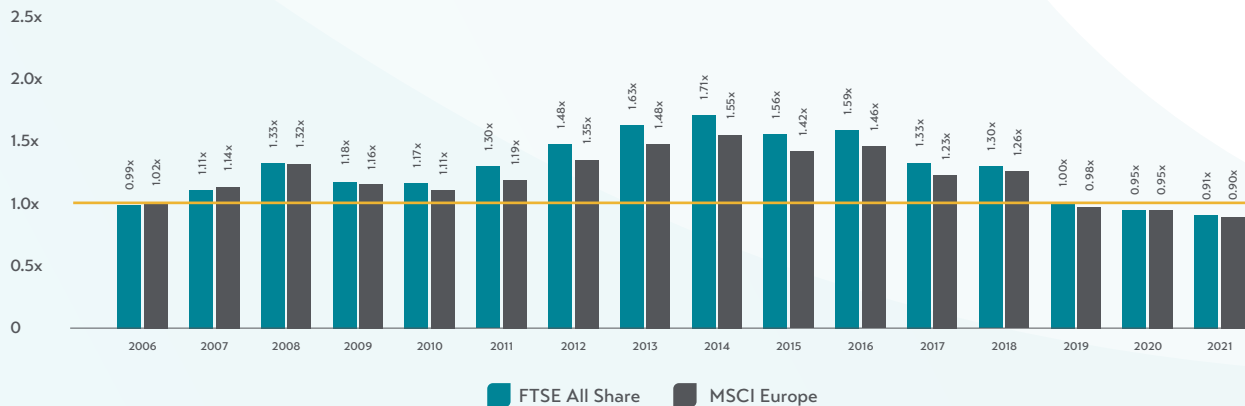
Private capital outperforms public markets over the long term

The PME+ methodology implies that private equity and venture capital outperforms if the IRR is greater than the PME+ calculation. Applying this methodology, we observe that private equity and venture capital has outperformed the public markets across all suitably mature vintages in our data set except 2019, 2020 and 2021.

Private equity and venture capital outperforms under the KS-PME measure if the KS-PME is greater than one. This was the case for most vintages since 2006 against the FTSE All Share Index apart from 2006, and most recent vintages in our dataset: 2020 and 2021.

Private equity and venture capital also outperformed the MSCI Europe index across all suitably mature vintage in all years but 2019, 2020 and 2021.

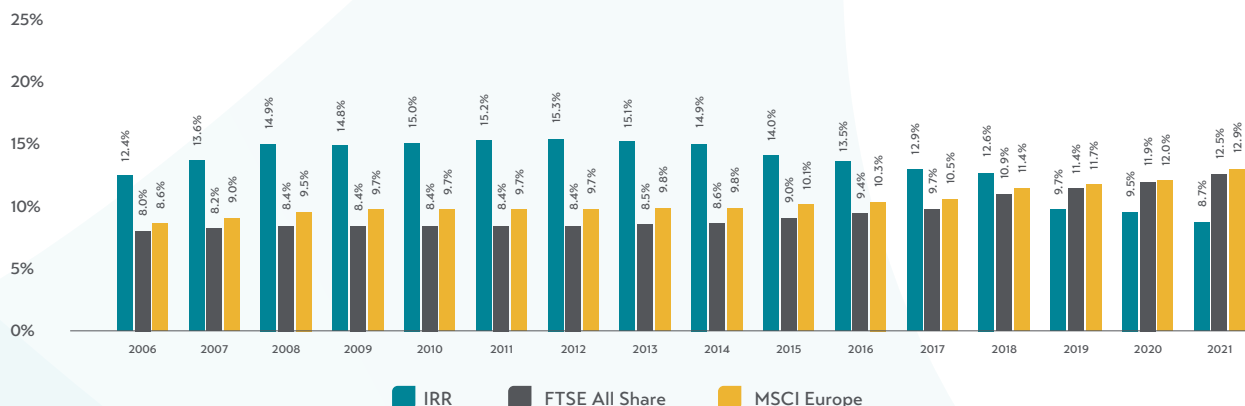
Chart 15 – Since Inception KS-PME by vintage year



Benchmarking performance

Since Inception analysis starting from a specific vintage year – PME+ and KS-PME

Chart 16 – Since Inception IRR and PME+ starting from a specific vintage year

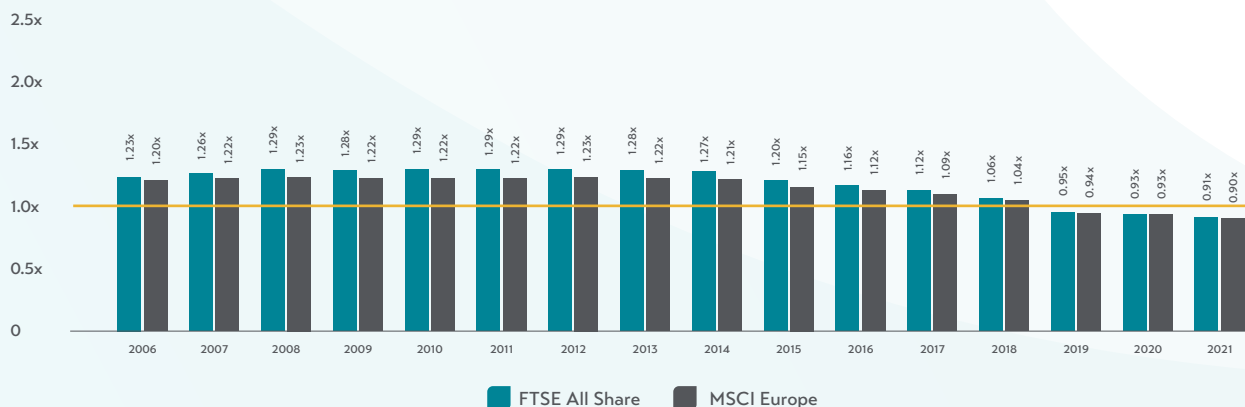


Starting from a specific vintage year

Charts 16 and 17 illustrate how the funds in our dataset have performed relative to our selected benchmark indices. By starting the analysis at different points in time we can exclude older funds which might have been operating in a very different economic environment than today. This provides a useful way to understand the performance of the industry as a whole since a specific point in time.

The since inception starting from a specific vintage year analysis using both the PME+ and KS-PME methodologies confirms the results by vintage year presented on the previous page. Private equity and venture capital has underperformed relative to the FTSE All Share Index and the MSCI Europe Index when the analysis starts from 2019, 2020 and 2021.

Chart 17 – Since Inception KS-PME starting from a specific vintage year



Horizon performance

Private equity and venture capital Horizon IRR vs public markets returns

Table 7 – Horizon performance – IRR (%) for UK Private Capital members vs FTSE Indices and MSCI Europe Index²

2025	1 year	3 years	5 years	10 years
PE and VC	9.5	6.4	10.4	15.8
FTSE ALL-SHARE	24.0	13.6	11.7	8.4
FTSE 100	25.8	14.2	13.1	8.8
FTSE 250	13.0	9.7	5.0	5.5
FTSE 350	24.2	13.6	11.8	8.4
MSCI Europe	26.9	14.6	11.3	10.2

While a PME analysis is the best way to compare the private markets funds in our dataset with public markets, a comparison of the horizon returns can also be a useful rule of thumb.

A comparison of the five and ten year horizon returns of UK private equity and venture capital funds against the average annualised returns of selected indices shows that the asset class has delivered strong long term performance, with the ten year return significantly outperforming those delivered by public equities.

Over the past decade, the FTSE All-Share Index returned 8.4% p.a., the MSCI Europe 10.2% p.a. while UK private equity and venture capital funds collectively generated a return of 15.8% p.a. over the same period.

Public markets were volatile in 2025, however despite a dip in April following the imposition of import tariffs by the US, they saw significant growth overall across the year. This was notably above the steadier return achieved by private equity and venture capital funds. This surge also explains the PME results on the previous page, where younger funds currently appear to be underperforming relative to public markets.

² Sources: FTSE Russel and MSCI, The MSCI Europe Index is GBP denominated

Conclusion

This report uses a large dataset of fund level cash flows and valuations from 1980 to 2025 to provide significant detail on the returns achieved for investors in private equity and venture capital funds.

The findings are clear:

- Private equity and venture capital has collectively delivered a since inception return of 12.4% since 2006.
- Market conditions have improved in 2025 for the private equity and venture capital industry, with a one year horizon return higher on the previous year (9.5% versus 2.1%). Public equities as represented by the MSCI Europe and FTSE All Share Index delivered strong returns in 2025, with technology stocks leading the way, outperforming one year horizon return for private equity and venture capital.
- Private equity and venture capital performs particularly well in the medium and long term with returns reasonably resilient throughout the economic cycle. The industry has outperformed the FTSE All Share and MSCI Europe indices on a ten year horizon, generating 15.8% IRR p.a. compared to 8.4% p.a. and 10.2% p.a. for the FTSE All Share and the MSCI Europe respectively.
- 2025 continued to be challenging for venture capital with one year horizon return at -0.4%, while other investment stages have registered a return of 7.4% or above.
- Our range of returns analysis shows that, whilst the industry's performance as a whole is very strong, returns vary between individual private equity and venture capital funds. It is worth noting that performance fees (carried interest) is only paid out once investors have received the agreed return. This shows that diversification across manager selection and various investment stages and categories is crucial for optimal returns.



Conclusion

- Since 2006, private equity and venture capital funds delivered an IRR of 12.4%, the PME+ analysis indicates that an equivalent public equity investment would have returned between 8.0% and 8.6% by December 2025, depending on the benchmark index selected, highlighting the long-term outperformance of private equity and venture capital. The KS-PME analysis shows that UK Private Capital members funds that started investing between 2006 and 2021 generated 1.23x and 1.20x of what investors would have earned from an equivalent public equity investment in the FTSE All Share Total Return Index and the MSCI Europe Gross Total Return Index respectively.
- Both the PME+ and the KS-PME since inception by vintage year results indicate that private equity and venture capital funds of vintages between 2006 and 2021 have collectively outperformed public markets as represented by the FTSE All Share Total Return Index and the MSCI Europe Index in all but three recent vintages.

We are aware that there is significant literature available on private equity performance, and we are pleased to be able to contribute to the evidence around the performance of UK private equity and venture capital in the latest edition of this long running study.

All tables in this report are available on the UK Private Capital website in excel format, along with more granular analysis by investment stage, subcategory and vintage year. We hope this will prove a valuable resource for industry participants, researchers and others wishing to learn more about the performance of private equity and venture capital.

We would like to conclude by thanking all UK Private Capital members who contributed to our performance measurement survey, without which this report would not have been possible.



Appendices

1. Methodology
2. Investment stages and subcategories
3. Definitions
4. Capital raised
5. List of responding firms

Appendix 1

Methodology

Eligibility criteria

To be eligible for inclusion in the 2025 survey, the private equity or venture capital firm must:

- Be a full UK Private Capital member on 28 February 2025;
- Raise money from third-party investors;
- Manage that money from the UK (although it may be invested elsewhere);
- The fund structure must be a typical limited partnership with a fixed, long-term fund life, and the fund must have made its first drawdown.

Venture Capital Trusts (VCTs), EIS funds, listed private equity investment companies and funds not open to external investors (e.g. where a firm is investing from its own balance sheet) have been excluded from the survey.

UK Private Capital represents private equity and venture capital firms in the UK. Full members, such as those included in this survey, are UK-based

firms, which manage private equity, venture capital and private credit funds.

Funds managed by former members of UK Private Capital have been included and data has been rolled forward or supplemented where possible. Firms that have never been members of UK Private Capital are not included.

Response rates

122 UK Private Capital members were deemed to have at least one fund which met the criteria above. Of these members, we received data from 94 firms, a response rate of 77%.

Confidentiality

UK Private Capital treats the performance data received from members with the utmost confidentiality. Only the research team within UK Private Capital are able to access the fund level information. The PwC Research team who support this work receive the anonymised data under a strict confidentiality agreement, and only the small number of individuals working directly on the project at PwC have access to the data.

Data collection

UK Private Capital manages the data collection and review process. UK Private Capital members submit their cash flow and valuation data for qualifying funds via the UK Private Capital's online data collection portal, the European Data Cooperative, or by spreadsheet.

Our survey collects information for each eligible fund on an annual basis as follows:

- Amounts drawn down (i.e. amounts paid by investors into the private equity or venture capital fund);
- Distributions (i.e. amounts paid by the private equity or venture capital fund to the investors) and;
- Net Asset Value (i.e. the residual value of the assets of the private equity or venture capital fund net of any provision for 'carried interest'). The Net Asset Value collected for the 2025 survey is as at 31 December 2025.

As the Net Asset Value is after allowance for any carried interest, all results shown in this report are returns to investors.

We also collect information on whether the valuations are completed in line with [IPEV guidelines](#) and whether the valuations provided are audited.

Appendix 1

Methodology

Review and quality control procedures

UK Private Capital research team review and feedback loop

Each submission is individually reviewed by the UK Private Capital research team, who raise any queries with the submitting firm.

UK Private Capital then calculates the IRR to 31 December 2025 for each fund where cash flow data has been submitted and asks the private equity or venture capital firm to verify if the IRR is correct, with confirmation requested from an appropriate senior member of the firm.

If the figures are incorrect, then the firm has the opportunity to amend the data provided. This additional check provides us with further comfort that the cash flow and valuation data which has been provided is correct.

PwC and UK Private Capital calculation verification

The aggregated data is then provided to PwC Research who perform internal consistency checks on the data.

UK Private Capital has the capability to calculate all the data tables for this report in-house.

UK Private Capital and PwC run parallel analyses for 30 data tables collectively covering every type of calculation as a cross check to ensure the calculations agree, thus providing verification of the calculations within the UK Private Capital's model.

PwC team are only involved in calculation and verification of absolute performance metrics. The Public Market Equivalent calculations are based on the same underlying final dataset but were solely done by the UK Private Capital Research team without PwC's input.

Valuations

Valuations of unrealised investments are the most judgemental element of the information provided to us by participating firms. The vast majority of firms have confirmed to us that they conduct valuations using the International Private Equity and Venture Capital Valuation (IPEV) Guidelines which were first introduced in March 2005. However, as noted at the end of this report, neither PwC nor UK Private

Capital has independently checked the valuation data, nor confirmed that the IPEV Guidelines have been adhered to. 56% of the funds surveyed contain unrealised investments, which are usually stated at fair value in accordance with these Guidelines, and which are included when calculating interim measures of performance.

Performance Measurement Survey Review Board

The Performance Measurement Survey Review Board is a group of experienced professionals who support the UK Private Capital research team by:

- Providing guidance on methodology and technical questions.
- Using their personal knowledge or contacts to advise on individual firm eligibility where this is not known to UK Private Capital and if necessary, reaching out to individuals at these firms to encourage prompt submission of data.
- Using their extensive experience in the industry to assist in the

interpretation of results, and to sense check the overall results against what they are seeing elsewhere.

The Performance Measurement Review Board supports UK Private Capital with its work but does not have access to the underlying data.

The Board has seven members in line with the Terms of Reference for the Board set out on the UK Private Capital website, with members from general partner firms, limited partner firms and academia. Details of the members of the Review Board can be found in the Report from the Performance Measurement Survey Review Board (page 6) in which they present their opinion of the robustness of this survey.

UK Private Capital is very grateful to these individuals for the contribution of their time and expertise throughout the production of this report.

Appendix 2

Investment stages and subcategories

Given the depth and breadth of the Performance Measurement Survey dataset, we are able to calculate the returns for several different subsets of the data. We look at this in two ways: firstly, by Investment stage, and secondly by subcategory.

Investment stage refers to the size and stage of development of the companies which the fund is looking to invest in.

The current investment stage classifications which UK Private Capital uses are:

- Venture (Invests in companies in the seed (concept), start-up (within three years of a company's establishment) and early stages of development)
- Small private equity (Invests less than £10 million of equity in each transaction. This category also includes development capital for expansion stage companies, that is, established companies that raise private equity to make acquisitions, fund working capital, buy new plant machinery and the like)

- Mid-market private equity (Invests between £10 million to £100 million of equity in each transaction)
- Large private equity (Invests more than £100 million of equity in each transaction)

These investment stages have applied since 1996 ('1996 vintage funds onwards').

Between 1980 and 1995 ('pre-1996 vintage funds') the investment stage classifications which applied were:

- Early stage (Invests in companies in the seed (concept), start-up (within three years of a company's establishment) and early stages of development)
- Development (Invests in expansion stage companies, that is, established companies that raise private equity to make acquisitions, fund working capital, buy new plant, etc. and small management buyouts and buy-ins (MBOs) with less than £10 million of equity invested per transaction)
- Mid private equity

- Large private equity
- Generalist (Invests across all stages of private equity)

The investment stage reclassification from 1996 onwards was driven by changes in the market at that time, with a growth in the size of funds being raised and a step up in terms of volume of activity in the venture space.

The pre-1996 stages are no longer presented in the report as we are now showing 2005 vintage funds onwards but can be found in the datapack.

Subcategory refers to the fund investment focus, whether by geography or sector.

The subcategories presented have remained consistent throughout the life of the Performance Measurement Survey.

These are:

- UK (Invests 60% or more of raised capital into UK companies)
- Non-UK (Invests less than 60% of the fund into UK companies)

- Pan-European (Invests 60% or more of raised capital into companies in two or more European countries which may include the UK)

- Technology (Invests 60% or more of raised capital into technology companies)

- Non-Technology (Invests less than 60% of the fund in technology companies)

The advantage in providing a more granular analysis of returns is that investors can see more clearly the returns associated with the types of investments they may wish to make and they can more accurately compare the performance of their existing investments to the funds in our dataset.

We note that larger funds are typically Pan-European and may still invest significant capital in the UK.

Appendix 3

Definitions

Capital statistics

Capital raised / funds raised

Capital committed by investors (capital they have agreed to subscribe). This will not usually all be paid in at one time.

Paid in capital

Capital that has actually been paid into the fund by investors.

Return metrics

IRR

The annualised internal rate of return (IRR) achieved over a period of time, based on the portfolio cash flows and valuations.

TVPI

The total value multiple (TVPI) is the total amount distributed plus the residual value attributable to investors as a percentage of paid-in capital.

DPI

The distributed (DPI) multiple is the total amount distributed to investors as a percentage of paid-in/committed capital.

Return inputs

Cash flow

Transfer of capital into and out of a business.

Drawdown

Fund manager collecting capital from investors.

Distribution

Fund manager returning capital to investors.

Time periods

Vintage year

Governed by the date of the fund's first drawdown, that is, the earlier of either: (i) the first payment by the investor to the fund; or (ii) the first investment made by the fund.

Since inception

From the actual start of the fund (i.e. from the first drawdown) up to a particular point in time. This measure of return most closely reflects the return a primary investor would have achieved.

Horizon

Horizon IRRs look backwards at specific time horizons. This measure includes cashflows from all funds that were active at some point during horizon period, regardless of which part of the life cycle the fund is in.

Types of return

Net return

The return represents the 'net' return to investors after costs and fees. Provision is made for carried interest, which would have been payable if the residual valuation had been realised at the valuation date.

Gross return

The return represents the 'gross' return to investors before costs, fees and carried interest provision.



Appendix 3

Definitions

Mathematical terms

Pooled return

We pool all cash flows and valuations as if they were one fund, and calculate the IRR or multiples on this set of combined, or pooled, cash flows. This gives the IRR or return for the total sample of funds being analysed, with funds implicitly being weighted by size.

Range of returns

The range of returns analysis demonstrates the variation in performance between different funds. Within each range, a portfolio's results are defined in terms of a percentile ranking. Ranges can be subdivided by quartiles, deciles and percentiles (see below). The range between the tenth and ninetieth percentile is known as the 'interdecile' range.

Top decile

Tenth percentile – 10% of the funds have an equal or higher return than this value.

Upper quartile

Twenty-fifth percentile – 25% of the funds have an equal or higher return than this value.

Median

Fiftieth percentile – The return of funds in the middle of the ranking.

Lower quartile

Seventy-fifth percentile – 75% of the funds have an equal or higher return than this value.

Bottom decile

Ninetieth percentile – 90% of the funds have an equal or higher return than this value.

Percentile ranking

Percentile rankings indicate the position occupied by a portfolio return in a particular universe. A ranking of the nth percentile means that n% of funds achieved a return greater than or equal to that fund's return. See also 'range of returns'.



Appendix 4

Capital raised by vintage year // data

Chart 18 – Capital raised by fund vintage year (£m)

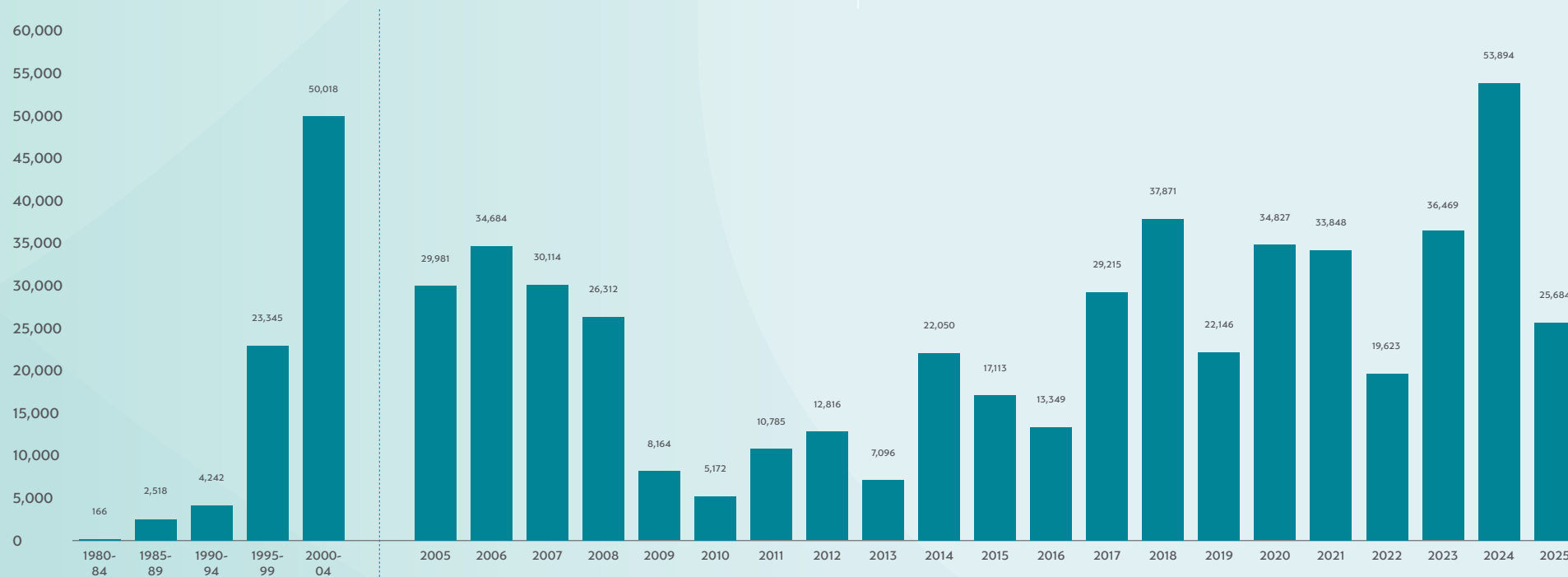


Table 8 – Number of funds by vintage year

Vintage year	1980-84	1985-89	1990-94	1995-99	2000-04	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
No. of funds	13	67	64	87	107	26	42	39	29	23	22	19	24	27	37	43	38	41	45	43	45	43	38	23	26	34

Appendix 4

Capital raised commentary

Capital raised by vintage year

When looking at capital raised by vintage year, it is important to keep in mind, that the total amount of capital raised in a given year depends on the number of new funds that had first drawdown in that year.

We classify funds into vintage years based on the date of their first drawdown rather than the date the capital was committed.

Our data shows that since 2020 on average £34bn were raised each year. Large Private Equity accounts for 65% of all capital raised for vintages from 2006 onwards.

Although representing 53% of the total number of funds in our sample, UK focused funds with vintages from 2006 onwards raised only 11% of the total capital, reaching £51bn by December 2025. Within this group, Mid Private Equity contributed to 69% of the capital raised (£35bn) reflecting the strength of the mid-market in the UK. In contrast, 73% of the capital raised for Non-UK focused funds (£314bn) was concentrated in Large Private Equity as the larger funds are more likely to have resources to target a wider geographic reach.

Notes

Please note that the capital raised figures reported in this report are not comparable with the capital raised figures in the UK Private Capital Investment Activity Report for the same period as the surveys use different eligibility criteria.

The two main differences are:

1) this report examines only the UK based unlisted funds managed by UK Private Capital members that raise capital from the third-party investors, whereas the Investment Activity Report covers not only these funds but also VCTs and listed private equity vehicles and also funds that were raised by non-members.

2) this report only includes the funds, which have made their first capital call from their investors. Furthermore, it is the total amount raised by these funds that is reported, not just the amount raised in a particular year. The Investment Activity Report, on the other hand, considers only the amount raised in the relevant year irrespective of the timing of the first capital call.

Appendix 4

List of responding firms

- 13books Capital
- 3i
- 4Bio Partners LLP
- Alchemy Partners LLP
- ALSA Ventures
- Amadeus Capital Partners Limited
- Anthemis Group
- Apax Partners UK Ltd
- Apiary Capital LLP
- Apis Partners LLP
- Atomico (UK) Partners LLP
- August Equity LLP
- Bain Capital Europe LLP
- Baird Capital
- Balderton Capital
- Bowmark Capital LLP
- Bregal Capital LLP
- Bridgepoint
- Bridges Fund Management Limited
- Cambridge Innovation Capital
- CBPE Capital
- CGE Partners LLP
- Cinven Limited
- Circularity Capital
- Clarendon Fund Managers Limited
- Clean Growth Investment Management LLP
- Cordovan Capital Management
- CVC Advisers Limited
- Development Bank of Wales
- Duke Street
- ECI Partners LLP
- EKA Ventures
- Elbow Beach Investments
- Elysian Capital LLP
- EMK Capital
- Endless LLP
- Epiris LLP
- ETF Partners
- Exponent Private Equity LLP
- FPE Capital LLP
- Future Planet Capital
- G Square Healthcare Private Equity LLP
- GH0 Capital LLP
- Graphite Capital Management LLP
- Growth Capital Partners LLP
- HG Capital
- Inflexion Private Equity
- Inspirit Capital
- IQ Capital Partners LLP
- Just Climate LLP
- Kester Capital LLP
- Key Capital Partners LLP
- Kings Park Capital
- KKR & Co.
- Livingbridge EP LLP
- Magnesium Capital LLP
- Main Set
- Maven Capital Partners UK LLP
- MMC Ventures Ltd
- MML UK Advisor LLP
- Nauta Capital VC Partners
- SGEGR, S.A.
- Nesta Investment Management LLP
- NorthEdge Capital LLP
- Oakley Capital Limited
- Oxford Capital
- Palamon Capital Partners, LP
- Palatine Private Equity LLP
- Par Equity LLP
- Penta Capital LLP
- Permira Advisers (London) Ltd
- Phoenix Equity Partners
- Pi Labs
- Piper PE LLP
- Primary Capital Partners LLP
- Queen's Park Equity
- Rutland Partners LLP
- SEP
- Sovereign Capital
- Sussex Place Ventures
- SV Health Managers LLP
- Synova LLP
- Systemiq Capital Limited
- TDR Capital LLP
- Tenzing
- Top Technology Ventures Limited
- TowerBrook
- Triton Advisers Limited
- Turquoise International Limited
- Vespa Capital LLP
- Vitruvian Partners LLP
- Volution Ventures
- WestBridge Fund Managers Limited
- Whiterock
- YFM Equity Partners



Contacts & useful resources

 UK Private Capital Performance
Measurement Survey Methodology Paper

 UK Private Capital Performance
Measurement Survey 2025 Data Pack

 UK Private Capital Report on Investment
Activity 2025

 Venture Capital in the UK 2026

 Measuring the contribution of private
equity and venture capital to the UK
economy in 2025

If you would like to discuss this report on the industry's contribution more generally, please contact any of the following:



Michael Moore

Chief Executive,
UK Private Capital



Karim Palant

Director, External Affairs,
UK Private Capital



Suzi Gillespie

Head of Research,
UK Private Capital



Richard McGuire

Private Equity Partner,
PwC

Get in touch with the team at:
info@ukprivatecapital.co.uk /
research@ukprivatecapital.co.uk

Acknowledgements

Authors

Suzi Gillespie
Head of Research

Ewa Skornas
Research Manager

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Please contact research@ukprivatecapital.co.uk for any enquiries.

UK Private Capital (formerly the British Private Equity and Venture Capital Association) is the association of the UK private capital industry. We represent 600 firms including the wider ecosystem of professional advisers and investors.

Private capital consists of private equity and venture capital which make long-term investments to grow British businesses and build a better economy. Private credit and venture debt provide active and engaged debt finance to businesses.

The private capital industry backs 13,000 UK businesses, nine in 10 of which are small or medium-sized enterprises. Businesses backed by the industry employ 2.5 million people across the UK and contribute 7% to GDP.

In 2025, £25.0bn was invested by private capital into UK businesses in sectors across the UK economy, ranging from consumer products to emerging technology. This increased investment has fuelled the growth of businesses across the UK. These investments are long-term, with an average investment period of six years, in contrast to less than a year in public markets.

UK-based private capital specialists have raised £190bn of funds, known as dry powder, which is expected to be invested over the next three to five years.



The data within this report was collated and analysed by UK Private Capital and PwC Research.

While PricewaterhouseCoopers LLP (PwC) and UK Private Capital have made every effort to ensure the reliability of the data included in this report, they do not assume any responsibility for any inaccuracy in the data nor for the accuracy of the underlying amounts submitted by the participating private equity and venture capital funds. The survey is based on valuations provided by each participating fund. Neither UK Private Capital nor PwC have independently checked the valuation data, or independently confirmed that the International Private Equity and Venture Capital Valuation Guidelines have been adhered to.

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UK Private Capital

(Formerly the British Private Equity and
Venture Capital Association - BVCA)

4th Floor, 48 Chancery Lane, London WC2A 1JF
+44 (0)20 7492 0400 | info@ukprivatecapital.co.uk
www.ukprivatecapital.co.uk

Find us on

