

Performance Measurement

Survey 2024

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 2025



About this report

This report has been produced by the British Private Equity and Venture Capital Association (BVCA) to demonstrate the returns generated for investors by our members to 31 December 2024. The statistics in this report are the results of the BVCA'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 the BVCA 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.

In addition to absolute returns, this report also includes the results of a Public Market Equivalent analysis to help investors better understand the relative performance of private equity and venture capital when compared to the public markets.

In 2024 we received submissions from 85 members out of a total eligible pool of 104 members, a response rate of 82%.

For those who wish to explore the data further, we have made the data tables in this report available for download on the BVCA 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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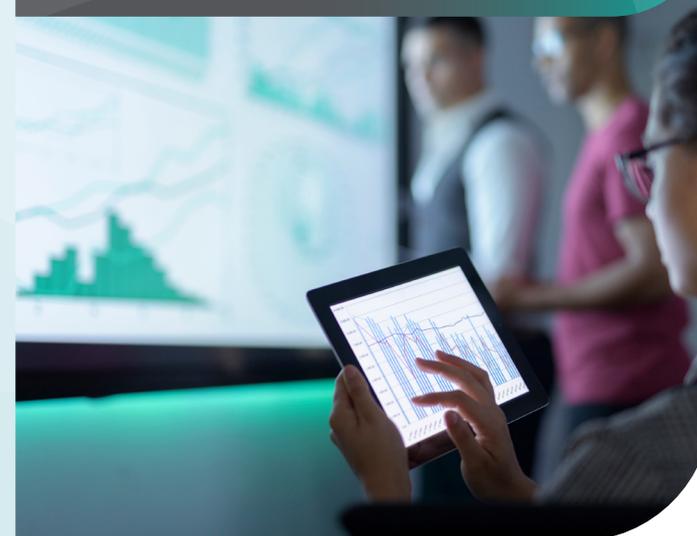
The Performance Measurement Survey represents the largest primary research survey of its kind in the UK.

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, BVCA



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UK private capital at a glance

Industry return since 2005

12.0% p.a.

Overall industry since inception internal rate of return since 2005.

Industry return since 2015

14.5% p.a.

Overall industry since inception internal rate of return since 2015.



Total return since 2005

1.74x

Across the industry as a whole since 2005, investors own assets which, if realised at their 31 December 2024 values, would mean investors receive 1.74x their original investment.

Total return since 2015

1.62x

Across the industry as a whole since 2015, investors own assets which, if realised at their 31 December 2024 values, would mean investors receive 1.62x their original investment.

Wide range of returns

2.80x – 0.67x

Illustrative Industry-wide range of total return multiples to 31 December 2024 (10th-90th percentile funds from 2005 onwards).

FTSE All-Share comparison

6.6% p.a.

The analysis using the Capital Dynamics PME+ (PME+) method implies that, since 2005¹ 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 6.6% p.a. significantly lower than the 12% p.a. internal rate of returns achieved by PE and VC.

MSCI Europe comparison

7.1% p.a.

The PME+ analysis implies that, since 2005 if investors had made an equivalent investment in the MSCI Europe Gross Total Return Index, they would have achieved an internal rate return of 7.1% p.a., significantly lower than the 12% p.a. internal rate of return achieved by PE and VC.

10 year horizon return

15.8% p.a.

vs 6.2% p.a. and 8.0% p.a. achieved by the FTSE All Share index and the MSCI Europe index.

¹Funds that started investing between 2005 and 2020. We are using vintages 2001 onwards for benchmarking UK private capital performance as daily index data is available for both the FTSE All Share Index and the MSCI Europe Index from 1/1/2001.



Foreword

2024 remained a challenging year marked by macroeconomic uncertainty and ongoing geopolitical tensions.

Investment activity saw some rebound, reversing a two-year decline. However, fundraising and exits continued to lag, with distributions to Limited Partners below historical averages.

Despite market challenges, the industry has collectively delivered a strong 12.0% annualised internal rate of return since 2005, underscoring two decades of exceptional private capital growth - though slightly down from the previous year (12.3 % p.a.). Looking at the last 10 years, all suitably mature funds with the 2015 vintage onwards have collectively achieved an IRR of 14.5% supported by the strong Total Value to Paid-in multiple (TVPI) of 1.62x. The money multiple metric demonstrates that these funds would have returned 62% more than the capital invested, had all their assets been realised as at 31 December 2024 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 average cohort.

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 the BVCA members to the equivalent annualised return of 6.2% and 8.0% for the FTSE All Share Index and the MSCI Europe Index respectively.

The Public Market Equivalent (PME) analysis, performed by the BVCA 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 sample have collectively outperformed the public market as represented by the FTSE All Share Index and the MSCI Europe Index every year since 2005.

More specifically, the analysis using the Capital Dynamics PME+ (PME+) method implies that if investors in private capital funds since 2005 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 6.6% p.a. or 7.1% p.a. respectively, both significantly lower than the 12.0% 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 an uncertain environment in 2025. The impact of tariffs on trade flows, supply-chain risk, and geopolitical tensions are just a few of the issues general partners are grappling with. 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.



Matthew Sabben-Clare
Senior Advisor, Cinven
& BVCA Chair 2024-26



Richard McGuire
Private Equity Funds Leader,
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.

Robustness of results

82% of firms who were members of the BVCA in February 2025, and who managed funds which met the criteria, responded to this year's survey, that is 85 firms in total. This is again 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 the BVCA nor PwC is able to independently check the data provided. However, the BVCA research team has sought to verify the accuracy of data submissions via seeking sign-off of fund level returns to investors from a senior individual at each member firm. 100% of firms who provided data subsequently signed-off their numbers.

The response rate, sign-off rate, 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 BVCA 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 BVCA membership.

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 BVCA 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, the BVCA 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.

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



Report from the Performance Measurement Survey Review Board

Changing the measurement timeframe

As the private equity and venture capital industry has grown significantly over the last two decades, the Board has recommended to present the most relevant data in the report, that is the last 20 years (i.e. funds with vintages from 2005 onwards) to better reflect the current private market conditions. Historical data will remain available in the accompanying [data pack](#).

Commentary on findings

2024 marked another challenging year for private equity and venture capital continuing the wider slowdown in fundraising and deal activity. Despite an increase in exit activity year-on-year, private capital distributions have remained subdued and as a proportion of net asset value are below historical levels. Valuation pressures and uncertain macroeconomic backdrop seem to be contributing to a relatively slower period of exit activity with general partners holding on to their assets for longer.

Relative performance measures help track performance of the private capital industry across different market cycles and evaluate it against other asset classes. The results of a public market equivalent analysis (PME) highlight 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 BVCA 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:

- [Section 1](#) presents information on our dataset – both the number of funds and the amount of capital raised – cut by investment stage and year of fund raising.
- [Sections 2 to 5](#) look at various measures of returns across different time periods. We present IRRs and multiples concurrently within each time period.
- [Section 6](#) focuses on benchmarking the performance of private equity and venture capital against the public markets using two Public Market Equivalent (PME) methodologies: the Capital Dynamics PME+ (PME+) and the Kaplan-Schoar PME (KS-PME). It also shows private equity and venture capital Horizon IRRs compared to returns of public indices.
- [Section 7](#) summarises the key takeaways from the report.

Finally, the appendices cover methodology, definitions 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 public market equivalent (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 BVCA research team.

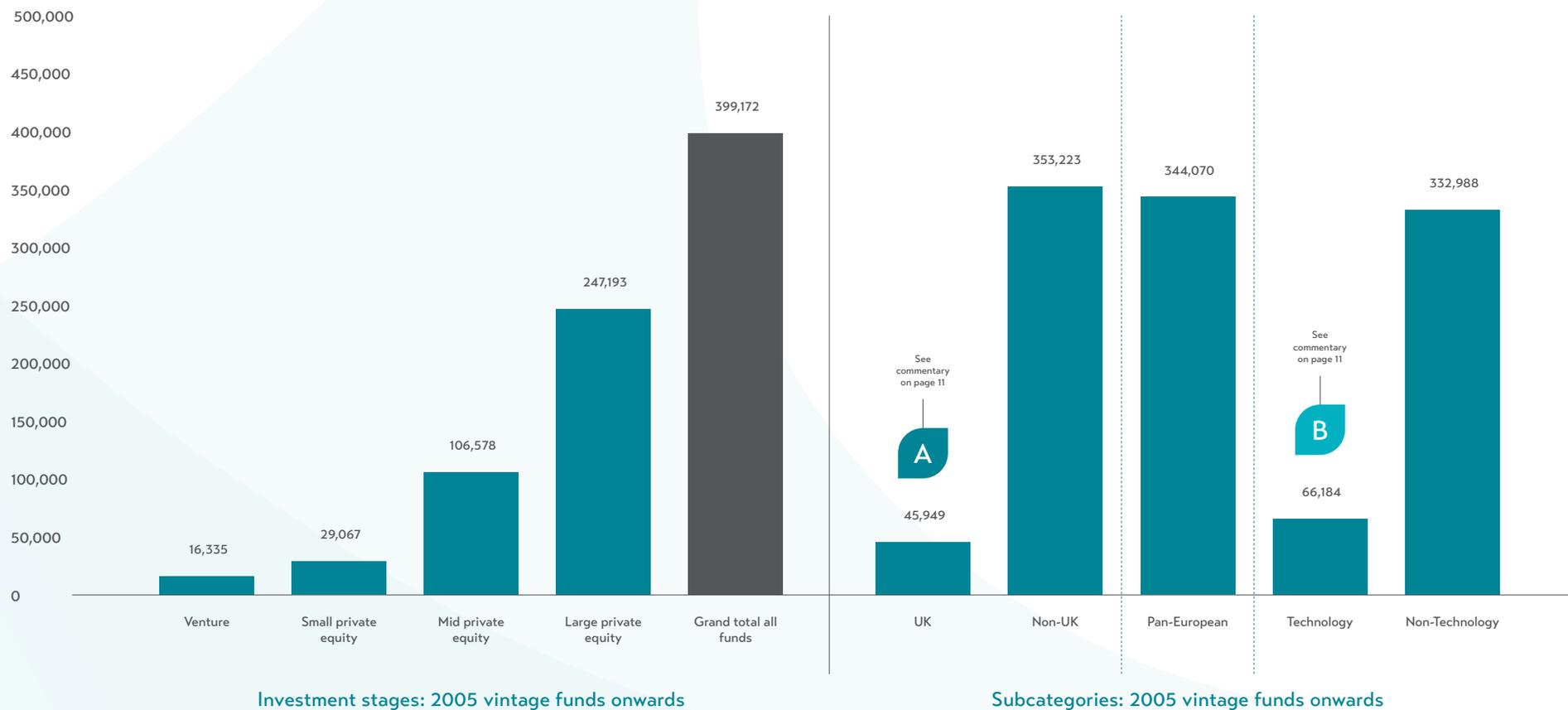
Get in touch >



Capital raised

by investment stage and subcategory // data

Chart 1 – Capital raised by investment stage and subcategory (£m)



Capital raised by vintage year // data

Chart 2 – Capital raised by fund vintage year (£m)



Table 1 – 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	Total
No. of funds	13	67	64	87	107	26	42	39	29	23	22	19	23	27	37	43	37	40	45	41	46	43	34	18	21	993



Capital raised

Commentary

Chart 1 – Capital raised by investment stage and subcategory

A

Although representing 52% of the total number of funds in our sample, UK focused funds with vintages from 2005 onwards raised only 11% of the total capital, reaching £46bn by December 2024. Within this group, Mid Private Equity contributed to 66% of the capital raised (£30.5bn) reflecting the strength of the mid-market in the UK.

In contrast, 70% of the capital raised for Non-UK focused funds (£247bn) was concentrated in Large Private Equity as the larger funds are more likely to have the resources to target/support a wider geographic reach.

B

Funds focusing on technology investments raised 17% of the total capital (£66bn). This is not surprising as the majority of funds included in this pool are venture capital funds (67%),

which raise less capital than private equity funds.

This is not to say that private equity funds do not invest in technology businesses, just that they are less likely to have dedicated technology funds (our definition of a technology fund is one which has the intention to invest 60% or more of the capital in technology businesses). 91% of the total capital raised to December 2024 by technology funds went to Non-UK funds.

Chart 2 – 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 also depends on the number of new funds that had first drawdown in a given year.

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

C

Fundraising peaked in 2005, with an average of £29bn raised annually between 2005 and 2008. After a period of subdued activity following the Global Financial Crisis, the market began to recover in the mid-2010s, with annual fundraising exceeding £12.3bn every year since 2014. Between 2017 and 2021 (excluding 2020), fundraising activity returned to elevated levels, with capital raised close to or surpassing £30bn-comparable to the pre-crisis peak.

D

2024 fundraising reached £11.8bn across 21 funds. Despite a small increase year-over-year in the number of new funds in 2024, the capital raised has fallen by 44% over the same period. 2024 marks the first year since 2014, where the capital raised dropped below the 12bn mark. Large Private Equity accounted for 48% of the capital raised in 2024, closely followed by Small Private Equity representing 39%, likely to be driven by the strong performance of funds operating in the small – cap segment.

Notes

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

The two main differences are:

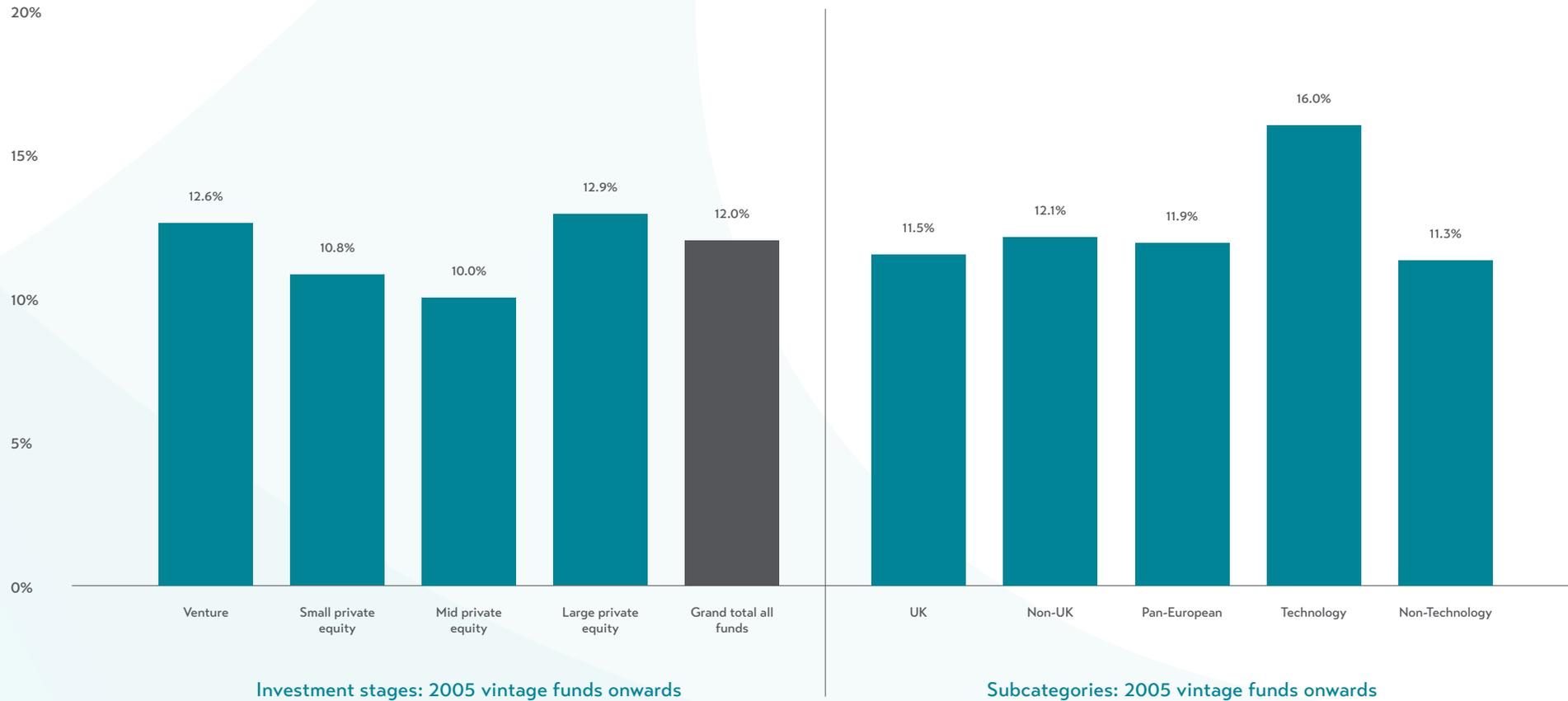
- 1) this report examines only the UK-based unlisted funds managed by the BVCA members that raise capital from the third-party investors, whereas the Investment Activity Report covers not only these funds but also VCTs and listed private equity vehicles and also funds that were raised by non-members.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



Since inception performance

by investment stage and subcategory IRR and multiples // data and commentary

Chart 3 – Since inception IRR (%) by investment stage and subcategory



Since inception performance

by investment stage and subcategory IRR and multiples // data and commentary

Table 2 – DPI and TVPI multiples

	No. of funds	Distributions multiple (DPI)	Total value multiple (TVPI)
A Investment stages (2005 vintage funds onwards)			
Venture	155	0.85x	2.13x
Small Private Equity	131	0.95x	1.79x
Mid Private Equity	196	1.00x	1.62x
Large Private Equity	57	1.20x	1.77x
Grand total all funds	539	1.12x	1.74x
B Subcategories (2005 vintage funds onwards)			
UK	294	1.08x	1.72x
Non-UK	245	1.12x	1.75x
Pan-European	240	1.11x	1.73x
Technology	169	0.93x	2.03x
Non-Technology	370	1.16x	1.68x

As this report now presents performance figures for funds from the 2005 vintage onwards, returns and multiples appear slightly lower than the since inception returns dating back to 1980 shown in previous editions. This is primarily due to the higher proportion of active funds within the current measurement period, which are still in their investment phase or have yet to realise their assets.

As of December 2024, funds with vintages between 2005 and 2020 have delivered a since inception IRR of 12.0%. This strong return is supported by the Distributed to Paid-In (DPI) multiple of 1.12x and the Total Value to Paid-In (TVPI) multiple of 1.74x.

Investment Stages

Large private equity has outperformed other stages, with the highest IRR of 12.9% and DPI of 1.20x as of December 2024. With the exception of venture and small private equity funds, other investment stages have delivered DPI of 100% or higher by December 2024, meaning investors as a whole have at least broken even. However, for both

venture capital and small private equity funds the difference between TVPI and DPI remains the highest indicating a substantial unrealised value in funds' portfolios.

Subcategories

Apart from Technology funds, whose valuations have been most affected in recent years, all of the subcategories included in our sample have collectively delivered DPI of 1.08x since inception to December 2024. From the IRR perspective technology focused funds have delivered robust return of 16.0% followed, by Non-UK funds with an IRR of 12.1% and DPI of 1.12x.

Technology focused funds (funds that invest at least 60% of committed capital into technology companies) are reporting the highest TVPI multiple, although this subcategory also has the widest gap between the distribution multiple and the total value multiple. If technology funds are able to realise investments at current valuations, the returns will be very strong.



Since inception performance

by investment stage and subcategory // commentary on range of returns results

Figures presented in chart 3 and table 2 on the previous pages represent the pooled return across the data set by investment stage and subcategory. Investing in private equity and venture capital funds does involve putting capital at risk, and it is important that this is understood and recognised by investors and policy makers alike. We illustrate this point on the following pages, which present the range of returns achieved by funds by investment stage (venture, small, mid- and large private equity) looking at IRR, DPI and TVPI, and can be used to benchmark performance of funds in each specific year.

Key observations from these charts are:

- The returns achieved by different funds vary significantly 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.

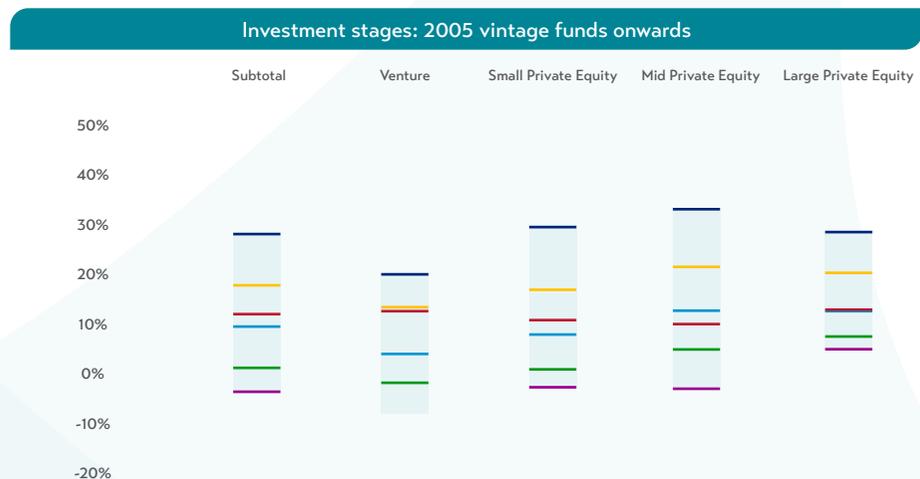
- Just like investments in the stock market can go down as well as up, not all investments in private equity and venture capital funds earn a return. We find that when we cut the data, whether this is by stage of investment or by category / type of fund, the lowest performing funds across categories have failed to generate a positive return for investors.
- However, the returns from investing in private equity and venture capital can be impressive. Our data shows that the top performing funds (10th percentile) at all stages have returned minimum 1.90x the initial capital to investors with an IRR of 20.0%.



Range of returns IRR

by investment stage and subcategories

Charts 4 and 5 – Range of returns – Since inception IRR (%) by investment stage and subcategory



Tables 3 and 4 – Range of returns – Since inception IRR (%) by investment stage and subcategory

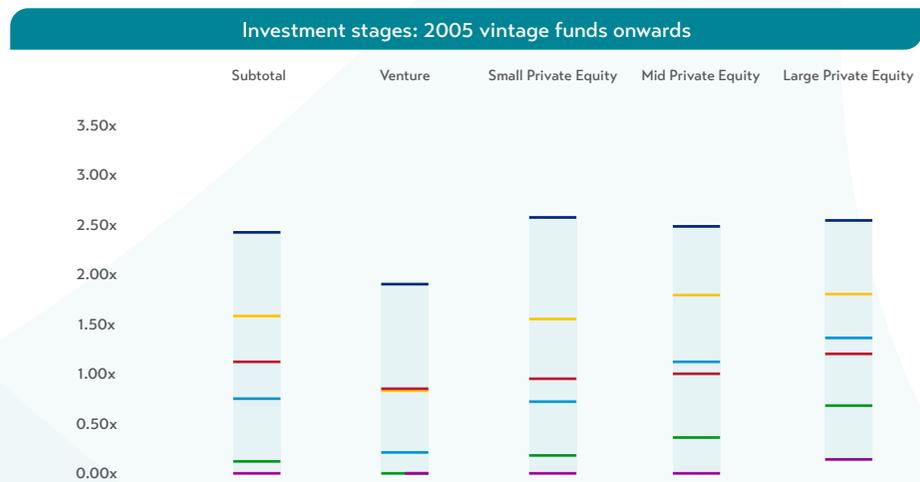
No. of funds	539	155	131	196	57
Pooled return —	12.0%	12.6%	10.8%	10.0%	12.9%
10th percentile —	28.1%	20.0%	29.5%	33.1%	28.5%
25th percentile —	17.8%	13.4%	16.9%	21.5%	20.3%
Median —	9.5%	4.0%	7.9%	12.7%	12.6%
75th percentile —	1.2%	-1.8%	0.9%	4.9%	7.5%
90th percentile —	-3.6%	-7.8%	-2.7%	-3.0%	5.6%
Interdecile range	31.7%	27.8%	32.1%	36.1%	23.0%
Range of returns	256.1%	115.4%	145.7%	256.1%	120.1%

No. of funds	539	294	245	240	169	370
Pooled return —	12.0%	11.5%	12.1%	11.9%	16.0%	11.3%
10th percentile —	28.1%	28.0%	28.5%	28.5%	26.6%	28.9%
25th percentile —	17.8%	19.0%	17.1%	17.1%	16.7%	18.8%
Median —	9.5%	8.9%	10.0%	9.7%	7.3%	10.2%
75th percentile —	1.2%	0.1%	3.7%	2.5%	0.0%	2.2%
90th percentile —	-3.6%	-4.0%	-2.8%	-2.9%	-4.3%	-3.0%
Interdecile range	31.7%	32.0%	31.3%	31.4%	30.8%	31.9%
Range of returns	256.1%	234.9%	197.2%	197.2%	115.4%	256.1%



Range of returns DPI by investment stage and subcategories

Charts 6 and 7 – Range of returns – DPI multiple by investment stage and subcategory



Tables 5 and 6 – Range of returns – DPI multiple by investment stage and subcategory

No. of funds	539	155	131	196	57
Pooled return —	1.12x	0.85x	0.95x	1.00x	1.20x
10th percentile —	2.42x	1.90x	2.57x	2.48x	2.54x
25th percentile —	1.58x	0.83x	1.55x	1.79x	1.80x
Median —	0.75x	0.21x	0.72x	1.12x	1.36x
75th percentile —	0.12x	0.00x	0.18x	0.36x	0.68x
90th percentile —	0.00x	0.00x	0.00x	0.00x	0.14x
Interdecile range	2.42x	1.90x	2.57x	2.47x	2.40x
Range of returns	7.23x	5.76x	7.23x	5.60x	3.07x

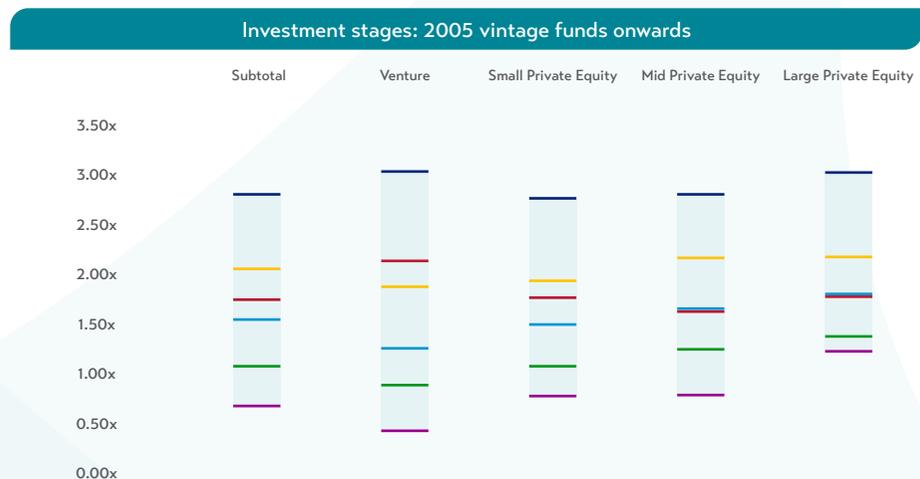
No. of funds	539	294	245	240	169	370
Pooled return —	1.12x	1.08x	1.12x	1.11x	0.93x	1.16x
10th percentile —	2.42x	2.47x	2.31x	2.42x	2.53x	2.48x
25th percentile —	1.58x	1.60x	1.57x	1.64x	1.33x	1.74x
Median —	0.75x	0.74x	0.80x	1.09x	0.56x	1.14x
75th percentile —	0.12x	0.12x	0.10x	0.36x	0.19x	0.43x
90th percentile —	0.00x	0.00x	0.00x	0.08x	0.05x	0.11x
Interdecile range	2.42x	2.47x	2.31x	2.35x	2.48x	2.37x
Range of returns	7.23x	5.76x	7.23x	7.23x	5.76x	7.23x



Range of returns TVPI

by investment stage and subcategories

Charts 8 and 9 – Range of returns – TVPI (%) multiple by investment stage and subcategory



Tables 7 and 8 – Range of returns – TVPI multiple by investment stage and subcategory

No. of funds	539	155	131	196	57
Pooled return	1.74x	2.13x	1.76x	1.62x	1.77x
10th percentile	2.80x	3.03x	2.76x	2.80x	3.02x
25th percentile	2.05x	1.87x	1.93x	2.16x	2.17x
Median	1.54x	1.25x	1.49x	1.65x	1.79x
75th percentile	1.07x	0.88x	1.07x	1.24x	1.37x
90th percentile	0.67x	0.42x	0.77x	0.78x	1.22x
Interdecile range	2.13x	2.60x	2.00x	2.02x	1.81x
Range of returns	9.58x	9.58x	7.23x	5.92x	5.19x

No. of funds	539	294	245	240	169	370
Pooled return	1.74x	1.72x	1.75x	1.73x	2.03x	1.68x
10th percentile	2.80x	2.80x	2.92x	3.05x	3.22x	2.73x
25th percentile	2.05x	2.09x	2.00x	2.06x	2.03x	2.08x
Median	1.54x	1.54x	1.55x	1.51x	1.43x	1.58x
75th percentile	1.07x	1.01x	1.19x	1.11x	0.97x	1.12x
90th percentile	0.67x	0.64x	0.76x	0.77x	0.51x	0.75x
Interdecile range	2.13x	2.16x	2.16x	2.28x	2.70x	1.98x
Range of returns	9.58x	5.77x	9.58x	9.58x	9.58x	7.23x



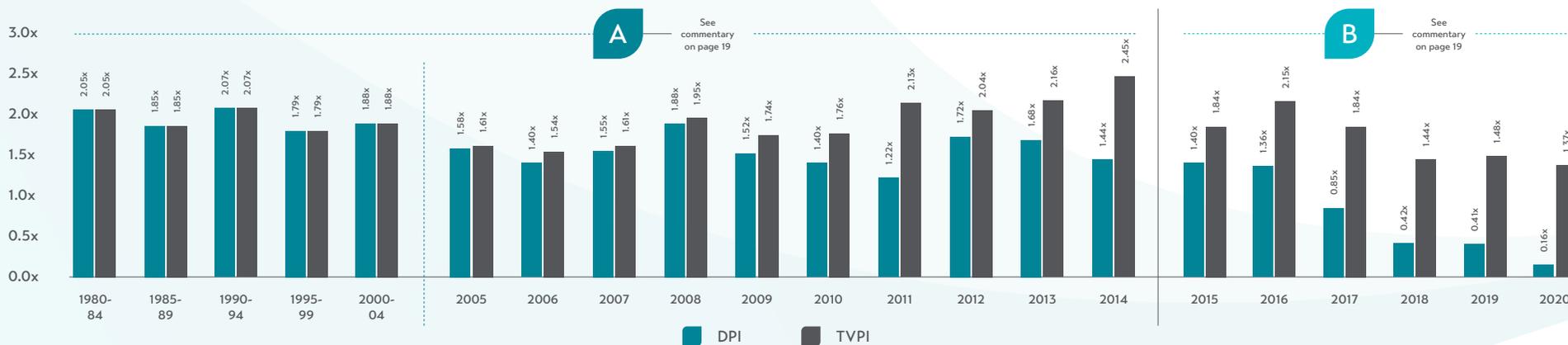
Since inception performance by vintage year

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 Distributed To Paid-In (DPI) and Total Value to Paid-In (TVPI) multiples.

Chart 10 – Since inception IRR (%) by vintage year to December 2024



Chart 11 – Since inception multiples of invested capital by vintage year to December 2024



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 DPI and TVPI, meaning that these funds have finished distributing all their capital and therefore an IRR presented in chart 10 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 1.6x. 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, DPI and TVPI 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 2015 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 2023 results, DPI has slightly improved reflecting a slight increase in exit activity in 2024, while TVPI has broadly remained flat. The IRRs have marginally decreased over the same period, 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 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 20.2% followed by 2015 with an IRR of 17.3%. On a multiples basis it is the 2015 vintage year, which has DPI of 1.40x, meaning investors have received back 40% more than their initial investment while a substantial portion of funds' value is still unrealised (TVPI of 1.84x).

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 cost over the few last year, 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 in charts 10 and 11 represent the pooled return across the data set by vintage year. As stated in section 2, 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 12, 13 and 14 on the subsequent pages, which show the range of returns achieved by funds within each vintage year looking at IRR, DPI and TVPI, 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. As discussed earlier, 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 the vast majority of capital to investors, this represents an actual realised return.



Range of returns IRR by vintage year // data

Chart 12 – Range of returns – Since inception IRR (%) by vintage year

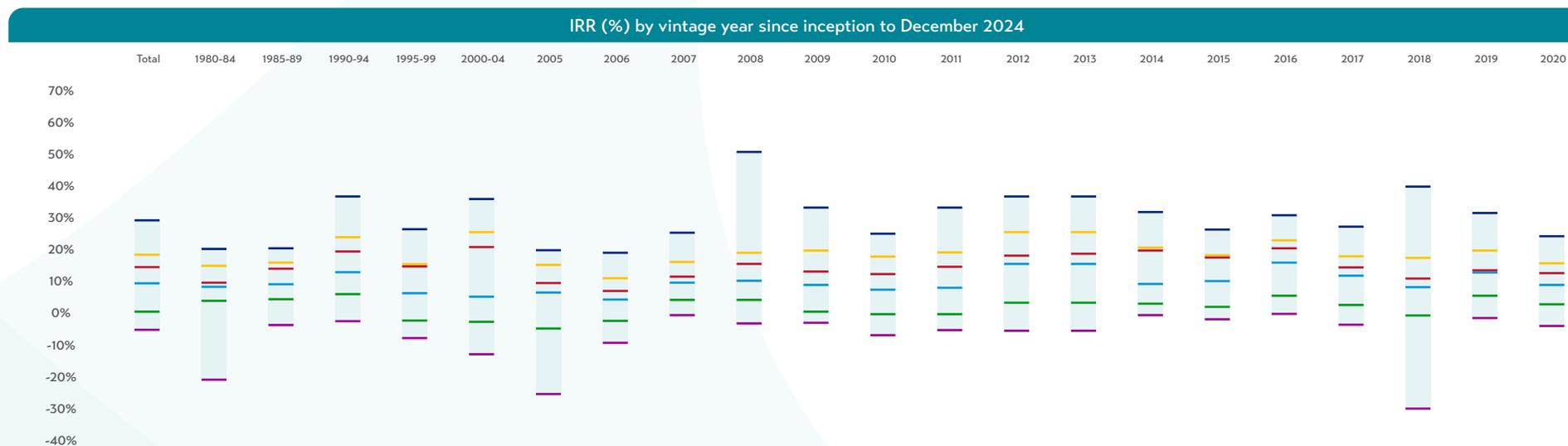


Table 9 – Range of returns – Since inception IRR (%) by vintage year

No. of funds	877	13	67	64	87	107	26	42	39	29	23	22	19	23	27	37	43	37	40	45	41	46
Pooled return	14.3%	9.4%	13.8%	19.2%	14.5%	20.6%	9.3%	6.8%	9.4%	15.3%	12.9%	12.1%	14.4%	17.9%	18.5%	19.5%	17.3%	20.2%	14.2%	10.7%	13.3%	0.1
10th percentile	29.0%	20.0%	20.2%	36.5%	26.2%	35.7%	19.6%	18.8%	25.1%	50.5%	33.0%	24.8%	33.0%	36.5%	36.5%	31.6%	26.1%	30.6%	27.0%	39.6%	31.3%	24.0%
25th percentile	18.2%	14.7%	15.7%	23.7%	15.2%	25.3%	15.0%	10.8%	15.9%	18.8%	19.5%	17.6%	18.9%	25.3%	25.3%	20.4%	17.8%	22.7%	17.7%	17.2%	19.5%	15.5%
Median	9.2%	8.1%	8.9%	12.7%	6.1%	5.0%	6.3%	4.1%	11.3%	10.0%	8.7%	7.2%	7.8%	15.3%	15.3%	9.0%	9.9%	15.7%	11.6%	8.0%	13.0%	8.7%
75th percentile	0.3%	3.7%	4.2%	5.8%	-2.5%	-2.9%	-5.0%	-2.6%	4.0%	4.0%	0.3%	-0.5%	-0.5%	3.1%	3.1%	2.8%	1.8%	5.3%	2.4%	-0.9%	5.3%	2.6%
90th percentile	-5.4%	-21.1%	-3.9%	-2.7%	-8.0%	-13.1%	-25.6%	-9.5%	-0.8%	-3.4%	-3.2%	-7.1%	-5.5%	-5.7%	-5.7%	-0.8%	-2.1%	-0.4%	-3.8%	-30.2%	-1.7%	-4.2%
Interdecile range	34.4%	41.0%	24.1%	39.1%	34.2%	48.9%	45.3%	28.3%	25.9%	53.9%	36.2%	31.9%	38.5%	42.1%	42.1%	32.4%	28.2%	31.0%	30.8%	69.7%	33.0%	28.2%
Range of returns	256.1%	56.8%	57.9%	74.3%	98.2%	120.3%	90.2%	130.0%	55.1%	93.8%	58.8%	59.6%	41.5%	94.2%	94.2%	234.5%	42.7%	84.5%	47.4%	140.2%	150.9%	79.8%



Range of returns DPI by vintage year // data

Chart 13 – Range of returns – DPI multiple by vintage year

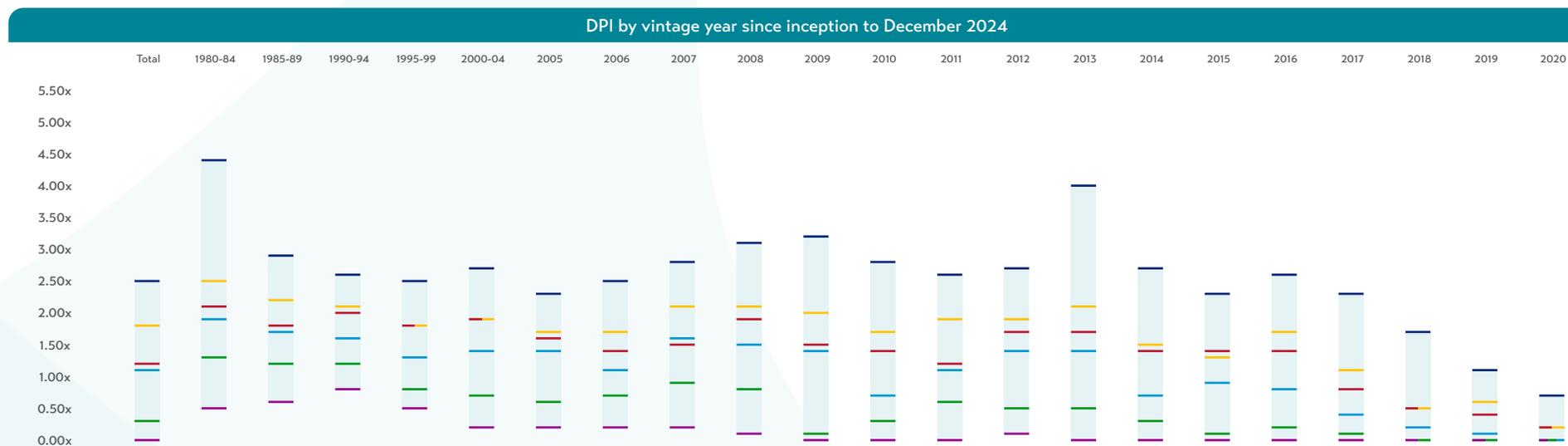


Table 10 – Range of returns – DPI multiple by vintage year

No. of funds	877	13	67	64	87	107	26	42	39	29	23	22	19	23	27	37	43	37	40	45	41	46
Pooled return	1.2x	2.1x	1.8x	2.1x	1.8x	1.9x	1.6x	1.4x	1.5x	1.9x	1.5x	1.4x	1.2x	1.7x	1.7x	1.4x	1.4x	1.4x	0.8x	0.4x	0.4x	0.2x
10th percentile	2.5x	4.4x	2.9x	2.6x	2.5x	2.7x	2.3x	2.5x	2.8x	3.1x	3.2x	2.8x	2.6x	2.7x	4.0x	2.7x	2.3x	2.6x	2.3x	1.7x	1.1x	0.7x
25th percentile	1.8x	2.5x	2.2x	2.0x	1.8x	1.9x	1.7x	1.7x	2.1x	2.1x	2.0x	1.7x	1.9x	1.9x	2.1x	1.5x	1.3x	1.7x	1.1x	0.5x	0.6x	0.2x
Median	1.1x	1.9x	1.7x	1.6x	1.3x	1.4x	1.4x	1.1x	1.6x	1.5x	1.4x	0.7x	1.1x	1.4x	1.4x	0.7x	0.9x	0.8x	0.4x	0.2x	0.1x	0.0x
75th percentile	0.3x	1.3x	1.2x	1.2x	0.8x	0.7x	0.6x	0.7x	0.9x	0.8x	0.1x	0.3x	0.6x	0.5x	0.5x	0.3x	0.1x	0.2x	0.1x	0.0x	0.0x	0.0x
90th percentile	0.0x	0.5x	0.6x	0.8x	0.5x	0.2x	0.2x	0.2x	0.2x	0.1x	0.0x	0.0x	0.0x	0.1x	0.0x							
Interdecile range	2.5x	3.9x	2.3x	1.8x	2.0x	2.5x	2.2x	2.3x	2.6x	3.0x	3.2x	2.8x	2.6x	2.6x	4.0x	2.7x	2.3x	2.6x	2.3x	1.7x	1.1x	0.7x
Range of returns	7.2x	4.9x	5.0x	4.2x	5.4x	5.5x	2.4x	3.6x	5.6x	7.2x	3.6x	3.0x	4.4x	3.1x	4.8x	4.4x	3.0x	2.8x	2.7x	2.8x	2.8x	5.8x



Range of returns TVPI by vintage year // data

Chart 14 – Range of returns – TVPI multiple by vintage year

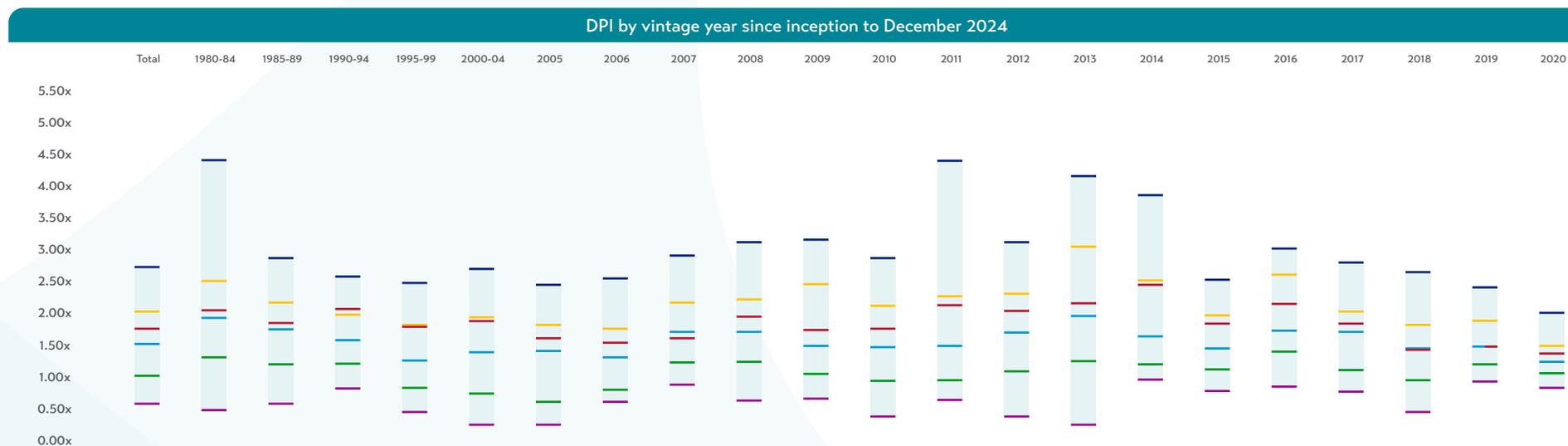


Table 11 – Range of returns – TVPI multiple by vintage year

No. of funds	877	13	67	64	87	107	26	42	39	29	23	22	19	23	27	37	43	37	40	45	41	46
Pooled return	1.76x	2.05x	1.85x	2.07x	1.79x	1.88x	1.61x	1.54x	1.61x	1.95x	1.74x	1.76x	2.13x	2.04x	2.16x	2.45x	1.84x	2.15x	1.84x	1.44x	1.48x	1.37x
10th percentile	2.73x	4.41x	2.87x	2.58x	2.5	2.70x	2.45x	2.55x	2.91x	3.12x	3.16x	2.87x	4.40x	3.12x	4.16x	3.86x	2.53x	3.02x	2.80x	2.65x	2.41x	2.01x
25th percentile	2.03x	2.51x	2.17x	1.98x	1.82x	1.94x	1.82x	1.76x	2.17x	2.22x	2.46x	2.12x	2.27x	2.31x	3.05x	2.52x	1.97x	2.61x	2.03x	1.82x	1.94x	1.49x
Median	1.52x	1.93x	1.75x	1.58x	1.26x	1.39x	1.41x	1.31x	1.71x	1.71x	1.49x	1.47x	1.49x	1.70x	1.96x	1.64x	1.45x	1.73x	1.71x	1.45x	1.48x	1.24x
75th percentile	1.02x	1.31x	1.20x	1.21x	0.83x	0.74x	0.61x	0.80x	1.23x	1.24x	1.05x	0.94x	0.95x	1.09x	1.25x	1.20x	1.12x	1.40x	1.11x	0.95x	1.20x	1.06x
90th percentile	0.58x	0.48x	0.58x	0.82x	0.5	0.25x	0.25x	0.61x	0.88x	0.63x	0.66x	0.38x	0.64x	0.38x	0.25x	0.96x	0.78x	0.85x	0.77x	0.45x	0.93x	0.83x
Interdecile range	2.16x	3.93x	2.29x	1.76x	2.0	2.45x	2.21x	1.94x	2.04x	2.49x	2.50x	2.50x	3.76x	2.74x	3.91x	2.90x	1.76x	2.17x	2.02x	2.20x	1.48x	1.18x
Range of returns	9.58x	4.92x	5.05x	4.18x	5.35x	5.53x	3.36x	3.57x	5.60x	7.16x	5.33x	2.89x	5.55x	5.05x	4.82x	4.88x	3.36x	9.58x	3.29x	5.26x	3.18x	5.35x



Since inception starting from a specific year

Commentary

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. As the investment environment today looks very different from the 1980s and 1990s, the industry-wide since inception return since 1980 may no longer be a sensible measure of current industry performance. To address this, we also present since inception return starting from different points in time, which provides a more reasonable picture of the performance of funds initiated over the last 20 years - a period during in which the industry has experienced exponential growth.

Since 2007, with the exception of vintages starting from 2017 to 2020, the industry has delivered since inception IRR of minimum 14.0%. Funds with vintages starting from 2017 to 2020 has delivered a net IRR of between 11.8% and 12.9%. 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. As the technology sector experienced the sharpest decline in company valuations following the public market volatility in 2022, it is likely that these valuation adjustments have fed through to lower interim returns for these funds. However, recent data shows that valuations have stabilised.

Refreshing the concept

Since inception return is calculated as a pooled return for the entire industry, excluding the four most recent vintage years (2021-2024). Since inception starting from, therefore, refers to all funds starting at a certain vintage up to the 2020 vintage. For instance, since inception return starting from 2012 represents the return for all funds of vintage 2012 onwards until 2020, since 2020 is the last vintage included in the calculations. Since inception return starting from 2020 refers to funds with vintage 2020 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 15 – Since inception IRR (%) starting from a specific year

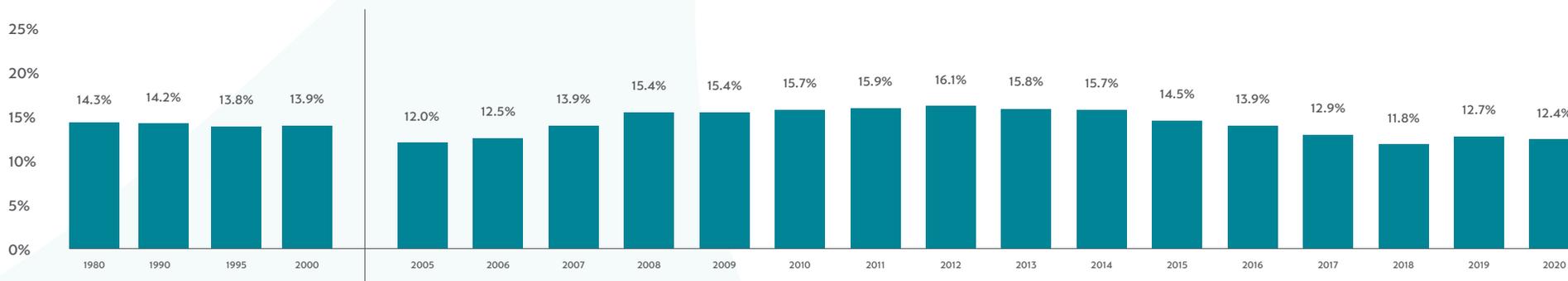


Chart 16 – DPI and TVPI starting from a specific year

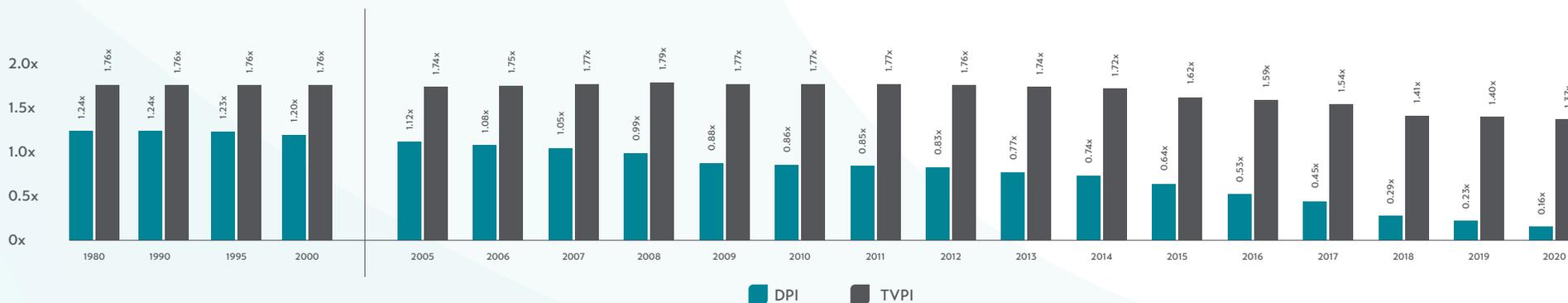


Table 12 – Number of funds included in each starting from category

Vintage year	1980	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
No. of funds in calculation	877	797	733	646	539	513	471	432	403	380	358	339	316	289	252	209	172	132	87	46



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 showed the smallest change relative to 2023. The overall return increased slightly from 15.0% in 2023 to 15.8% in 2024, an unusual result given all of the since inception returns have declined. This is due to large distributions from 2013 and 2014 funds occurring early in the horizon IRR calculation. Consistent with previous years' results Large Private

Equity continues to outperform other investment stages on the ten year horizon, delivering a return of 18.4% in 2024. Technology funds recorded the largest uptick on the ten year horizon relative to 2023 (19.7% versus 14.0%), becoming the top performing subcategory in this group.

One Year Horizon

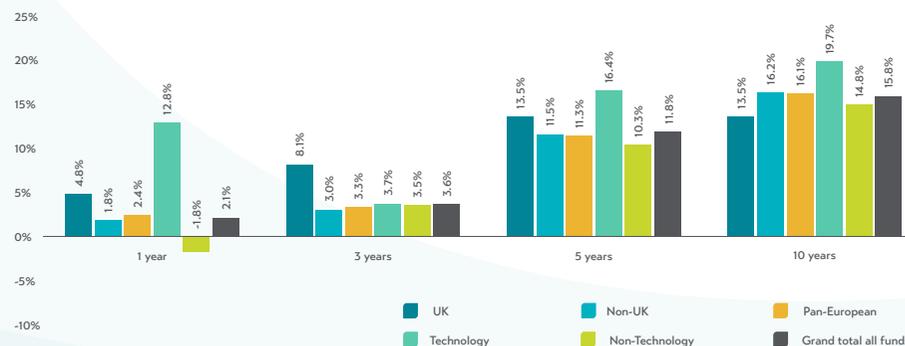
2024 continued to be a challenging year for the private equity and venture capital industry. The one year horizon return has only marginally increased from 0.3% in 2023 to 2.1% in 2024. Small Private Equity registered the largest increase moving from -14% in 2023 to 9.0% in 2024 and outperforming other investment stages on the one year horizon. At the other end of the spectrum remained venture with the negative horizon return (-3%).

From the investment subcategories standpoint, the returns for technology funds have started to improve, with this subgroup being the real standout recording the highest one year horizon return (12.8%). In contrast, non-technology funds have slipped into negative territory (-1.8%).

Chart 17 – Horizon performance – IRR (%) by investment stage



Chart 18 – 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.

Public market equivalent (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](#).

The BVCA uses both the Capital Dynamics PME+ (PME+) and the Kaplan-Schoar PME (KS-PME) methods. 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 Public Market Equivalent 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 BVCA PMS dataset since 2005

Investment size

(by amount invested):

- 61% of the funds in our database invest in Large Private Equity (over £100 million invested in equity per transaction);
- 29% 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):

- 17% of the funds in our dataset focus on technology.
- 13% of the funds in our dataset invest only in the UK, 85% in European countries (which may include the UK) and 15% 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 currency²

- 18% Pounds Sterling
- 75% Euros
- 8% US Dollar

²We 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 box right).

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.

The BVCA reports performance (DPI, TVPI and IRR) 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 19 – Since Inception IRR and PME+ by vintage year



Private capital outperforms public markets

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 since 2005.

Private equity and venture capital outperforms under the KS-PME measure if the KS-PME is greater than one. This was the case for every vintage year since 2005 against both selected indices. These results indicate that investors in private equity and venture capital funds of vintage years 2005-2020 have earned more than if they had invested either in the FTSE All Share Index or the MSCI Europe Index over the same period to 31 December 2024.

Chart 20 – Since Inception KS-PME by vintage year



Benchmarking performance

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

Chart 21 – Since Inception IRR and PME+ starting from a specific vintage year



Starting from a specific vintage year

Charts 21 and 22 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 outperforms the public markets as represented by the FTSE All Share Index and the MSCI Europe Index in every year since 2005 regardless of the PME methodology.

Chart 22 – Since Inception KS-PME starting from a specific vintage year



Horizon performance

Private equity and venture capital Horizon IRR vs public markets returns

Table 13 – Horizon performance – IRR (%) for BVCA members vs FTSE Indices and MSCI Europe Index³

2024	1 year	3 years	5 years	10 years
PE and VC	2.1	3.6	11.8	15.8
FTSE ALL-SHARE	9.5	5.8	4.8	6.2
FTSE 100	9.7	7.4	5.3	6.2
FTSE 250	8.1	-1.2	1.5	5.3
FTSE 350	9.4	6.0	4.8	6.1
MSCI Europe	4.3	4.5	6.7	8.0

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 medium and long term performance. As illustrated in Table 13, both the five and ten year returns significantly outperformed those delivered by public equities.

Over the past decade, the FTSE All-Share Index returned 6.2% p.a, the MSCI Europe 8% p.a. while UK private equity and venture capital funds collectively generated a return of 15.8% p.a. over the same period.

³Sources: 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 2024 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 delivered a since inception return of 12.0% since 2005.
- Market conditions have remained challenging in 2024 for the private equity and venture capital industry, with a one year horizon return only marginally higher on the previous year, and below annual returns delivered by the MSCI Europe Index and the FTSE All Share Index.
- 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 6.2% p.a. and 8.0% p.a. for the FTSE All Share and the MSCI Europe respectively.
- Valuation pressures and broader macroeconomic dynamics have led to muted exit activity and subdued distributions affecting industry returns to December 31, 2024, with returns slightly reduced compared to last year's figures.
- Returns for Venture and Small Private Equity started to improve last year. Although, the one year return for Venture remains negative, it is no longer in double digits. Small Private Equity has outperformed other investment stages on a one year horizon return registering a return of 9.0%, up from -14% to December 2023. This is reflective of greater relative exit activity in this segment of the market.
- 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 fee (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 2005, private equity and venture capital funds delivered an IRR of 12.0%, the PME+ analysis indicates that an equivalent public equity investment would have returned between 6.6% and 7.1% by December 2024, depending on the benchmark index selected, highlighting the long-term outperformance of private equity and venture capital. The KS-PME analysis shows that BVCA members funds that started investing between 2005 and 2020 generated 1.29x and 1.25x 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 2005 and 2020 have collectively outperformed public markets as represented by the FTSE All Share Total Return Index and the MSCI Europe Index.

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 BVCA 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 BVCA members who contributed to our performance measurement survey, without which this report would not have been possible.

Get in touch

If you would like to discuss anything within this report please contact us at research@bvca.co.uk.



Appendices

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



Appendix 1

Methodology

Eligibility criteria

To be eligible for inclusion in the 2024 survey, the private equity or venture capital firm must:

- Be a full BVCA 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.

The BVCA 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 and venture

capital funds from the UK. Funds managed by former members of the BVCA have been included and data has been rolled forward or supplemented where possible. Firms that have never been members of the BVCA are not included.

Response rates

104 BVCA members were deemed to have at least one fund which met the criteria above. Of these members, we received data from 85 firms, a response rate of 82%.

Confidentiality

The BVCA treats the performance data received from members with the utmost confidentiality. Only the research team within the BVCA are able to access the fund level information. The PwC Research team who support this work receive the 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

The BVCA manages the data collection and review process. BVCA members submit their cash flow and valuation data for qualifying funds via the BVCA'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 2024 survey is as at 31 December 2024.

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

BVCA research team review and feedback loop

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

The BVCA then calculates the IRR to 31 December 2024 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 sign off 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. As senior individuals will always know the fund IRRs, this additional check provides us with further comfort that the cash flow and valuation data which has been provided is correct.

All firms that submitted data confirmed their IRRs (100% sign off) by the time we closed the feedback process.

PwC and BVCA calculation verification

The aggregated data is then provided to PwC Research who perform internal consistency checks on the data. The BVCA has the capability to calculate all the data tables for this report in-house.

The BVCA 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 BVCA's model.

Due to minor changes in the dataset identified after the commencement of the PwC analysis (following additional data submissions from members), the figures published in this report are the output from the BVCA calculations. We confirm that output from the calculations on the original dataset provided to PwC and the BVCA model using the same input file agree exactly.

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 BVCA 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 the BVCA has independently checked the valuation data, nor confirmed that the IPEV Guidelines have been adhered to. 58% 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 BVCA 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 the BVCA 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 Review Board supports the BVCA with its work but does not have access to the underlying data.

The Board has six members in line with the Terms of Reference for the Board set out on the BVCA 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.

The BVCA 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 BVCA 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.

DPI

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

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.

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

List of responding firms

- 13books Capital
- 3i
- 4Bio Partners LLP
- Abingworth LLP
- Alchemy Partners LLP
- Aliter Capital LLP
- Amadeus Capital Partners Limited
- Anthemis Group
- Apax Partners UK Ltd
- Apiary Capital LLP
- Apis Partners LLP
- August Equity LLP
- Baird Capital
- Beech Tree Private Equity
- Bowmark Capital LLP
- Bregal Capital LLP
- Bridgepoint
- Bridges Fund Management Limited
- Cambridge Innovation Capital
- CBPE Capital
- CGE Partners LLP
- Cinven Limited
- Circularity Capital
- Clean Growth Investment Management LLP
- Cordovan Capital Management
- Development Bank of Wales
- Duke Street
- ECI Partners LLP
- EKA Ventures
- Elysian Capital LLP
- EMK Capital
- Endless LLP
- Epidarex Capital
- Equistone Partners Europe Limited
- ETF Partners
- Exponent Private Equity LLP
- FPE Capital LLP
- Freshstream
- Frog Capital Limited
- G Square Healthcare Private Equity LLP
- GHO Capital LLP
- Graphite Capital Management LLP
- Growth Capital Partners LLP (GCP)
- HG Capital
- Inflexion Private Equity
- Inspirit Capital
- IQ Capital Partners LLP
- Just Climate LLP
- Kester Capital LLP
- Key Capital Partners LLP
- Livingbridge EP LLP
- Magenta Partners LLP
- Mayfair Equity Partners
- MMC Ventures Ltd
- MML UK Advisor LLP
- Mobeus Equity Partners
- 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
- Synova LLP
- Systemiq Capital Limited
- TDR Capital LLP
- Tenzing
- Top Technology Ventures Limited
- TowerBrook Capital Partners (UK) LLP
- Vitruvian Partners LLP
- Whiterock
- YFM Equity Partners
- Zero Carbon Capital
- Zouk Capital LLP



Contacts & useful resources

 BVCA Performance Measurement Survey Methodology Paper

 BVCA Performance Measurement Survey 2024 Data Pack

 BVCA Report on Investment Activity 2024

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

 Venture capital in the UK 2025

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



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

About the BVCA

The British Private Equity & Venture Capital Association (BVCA) is the voice of private capital in the UK.

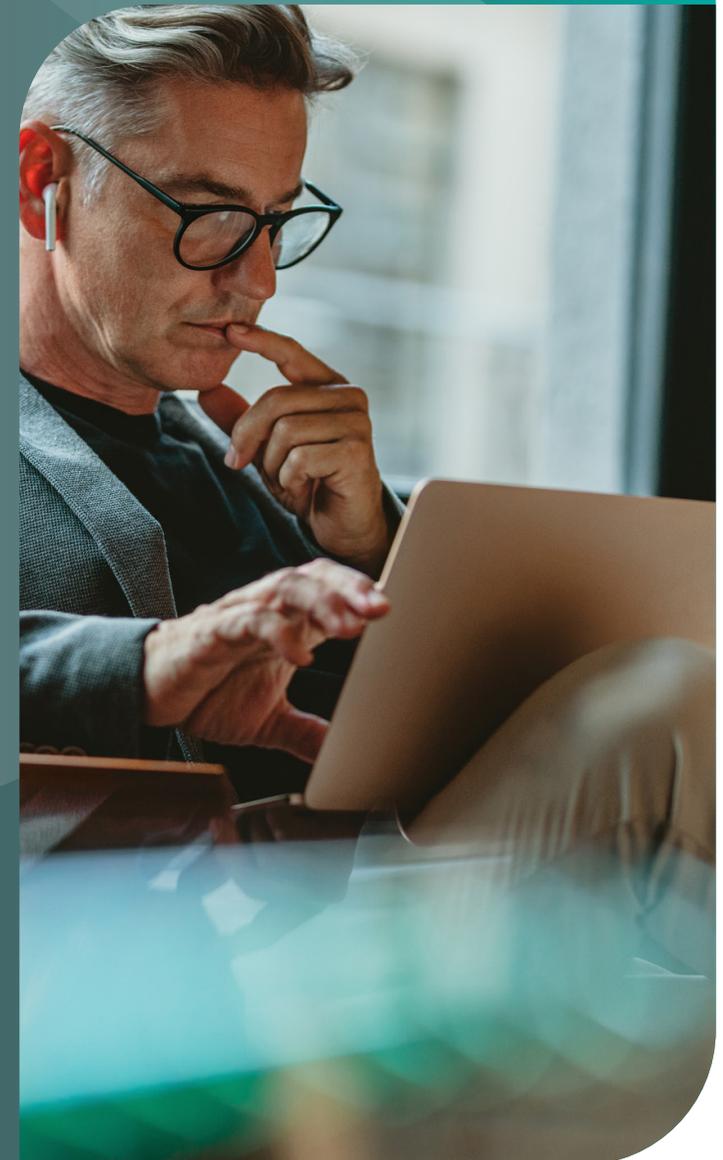
We have been advocating for the UK's private equity and venture capital industry for over 40 years, helping it to uphold its vision and achieve its goals. We actively represent this diverse community of long-term investors, enabling them to speak with one clear and consistent voice to society, including the Government, media and MPs.

We connect institutional investors, fund managers, companies, advisers and service providers together, with our membership currently comprising more than 600 businesses from across the private capital ecosystem. This includes more than 250 private equity and venture capital firms, 100 institutional investors and over 200 professional services firms.

The BVCA supports its members to help companies grow and achieve their long-term ambitions, creating value for the country, both economically and socially.

From creating medicines to protect us against COVID-19, to backing innovative companies in their quest to find solutions to our low-carbon future, private capital also plays a critical role in addressing the future challenges we face as a society.

Together we are invested in a better future.



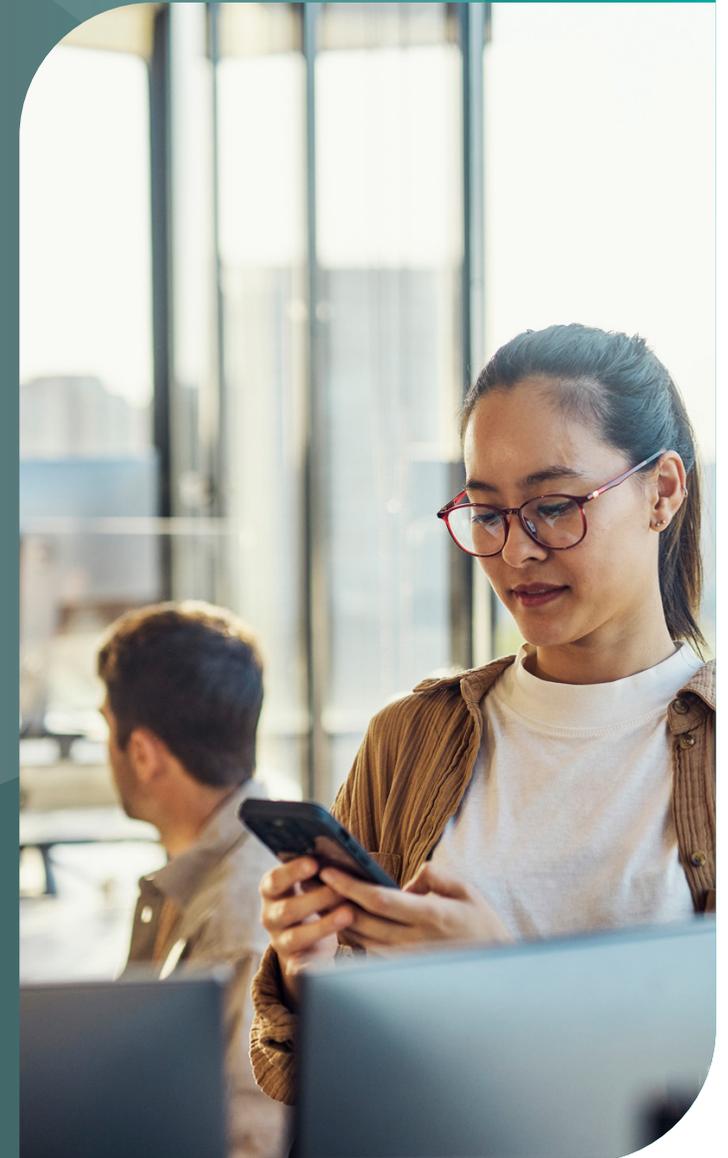
The data within this report was collated and analysed by the BVCA and PwC Research.

While PricewaterhouseCoopers LLP (PwC) and the BVCA 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 the BVCA 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.

The data used in the preparation of the report has not been independently verified, validated or audited by the BVCA or PwC. This publication has been prepared for general guidance on matters of interest only and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law. Neither the BVCA nor PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

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