

2019

WOMEN IN LIMITED PARTNERS

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Report produced by the BVCA and Level 20

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“For the first time we have visibility of the gender participation by level across our entire industry. Whilst the participation rate has meaningful room for improvement we now have a sound base from which to measure progress.”

Cheryl Potter

Chair, BVCA
Partner, Permira

“These figures confirm that, while notably better than private equity and venture capital firms, Limited Partners also have a long way to go in terms of gender diversity. The research as a whole should serve as a wakeup call for the entire industry. It must be time for action.”

Calum Paterson

Past Chair, BVCA
Managing Partner, Scottish Equity Partners LLP

“It is a well-known fact that the LP community has traditionally presented a more diverse workforce than the GP community, and the BVCA data bears this out. Like GPs, LPs also see a tail off in female talent in more senior roles, but even so, the representation at that level is at the initial target representation we are seeking to achieve at Level 20 for the private equity industry. The BVCA data is encouraging and, in my view shows, what is possible to achieve.”

Helen Steers

Chair, Research Committee
Partner, Pantheon

“I am a strong believer that Limited Partners need to be active participants in driving the diversity agenda within the Private Equity market. It is gratifying to see that the LPs are leading the tables with twice as many women in firms and over three times as many senior women. LPs have been able to attract and retain women as evidenced by high levels of junior and mid-level numbers in the high twenties. GPs would be well advised to speak with their LPs about their diversity and inclusion strategies and to leverage the relationships with these LPs to help drive their own recruiting and management of female talent.”

Kathleen Bacon

Managing Director,
HarbourVest Partners (UK)



“While it is encouraging to see a higher percentage of women in senior Limited Partner roles than within General Partners, it is clear that significant work remains to be done to increase gender parity across all areas of our industry. It is possible that numbers of senior female Limited Partners are supported by women making a transition from General Partner roles over to the Limited Partner side of the table, as indeed I have done in my own career.”

Tilly Franklin

Director of Investments,
Alta Advisers Limited

“The institutional investor community tends to adopt change cautiously. However, once the case for change is compelling, investors typically converge around a new set of higher standards to improve best practice. It is clear that the issues of diversity and inclusion have been rapidly moving up the agenda over the past year and we therefore welcome this latest research. British Patient Capital is a leading LP in UK venture and growth capital and we look forward to working with our General Partners and other institutional investors to help drive positive change.”

Catherine Lewis La Torre

CEO, British Patient Capital
and British Business
Investments

“CPPIB believes that there is a clear business case for diversity, which we know links directly to positive long-term value creation. We value diversity in all its forms and believe it needs to exist at all levels of an organization, from directors, executives, and employees, right through to working teams in general. We are deliberate and intentional in our efforts to increase representation, ensuring all colleagues, including women, have the opportunity to unlock their full professional possibilities as it is critical to our overall success.”

Delaney Brown

Managing Director & Head
of Private Equity Funds,
CPPIB

“It is great to see that the private equity industry is taking on the challenge of improving diversity within our organisations. In studying and reporting the data, LEVEL20 and the BVCA are doing an incredible job of highlighting the current gender imbalance, especially in senior positions, giving us a base from which to measure progress. I am proud to support their work.”

Francois Aguerre

Partner, Coller Capital



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“This study is the final part of the exercise undertaken over three years to establish the numbers of women working across all parts of the private equity industry. It is important for Level 20 to have high quality data to be able to track progress towards its goal of having 20% of senior positions held by women. In this report I welcome the fact that, in the LP universe, this figure has been achieved with 21% of senior investment roles being held by women. I hope that this will encourage other parts of the industry to embrace gender diversity and take the necessary steps to move towards reaching the Level 20 goal. There is, after all, a very strong business case for diversity and the industry as a whole needs to take advantage of every means of ensuring that it continues to deliver strong investment performance.”

George Anson
Chair, Level 20

FOREWORD

Last year, the BVCA and Level 20 collaborated on a report which provided data on the numbers of women working in General Partner firms in the private equity industry. In the previous year, the BVCA had worked with Diversity VC to conduct a similar exercise in respect of venture capital firms. To complete the coverage of the whole private equity industry, this year the BVCA and Level 20 worked together to identify female representation in Limited Partner (LP) organisations. This is a diverse group and includes large fund of funds with direct investment activities as well as its fund investment operations, and firms operating in the secondaries market buying both positions in private equity funds as well as equity stakes in private companies.

It is a strategic priority for the BVCA and the mission of Level 20 to increase the participation of women in the industry and encourage their representation in senior roles throughout all parts of the UK private equity and venture capital industries. As a first step, it is vital to have a robust data set to enable progress to be tracked.

While the results show a higher level of female representation in Limited Partners, it is clear that much work is needed in this area and gender diversity should remain high on the industry's agenda.

We would like to thank the research team at the BVCA and the Level 20 volunteers for their dedication and enthusiasm in producing this significant piece of work.

Tim Hames

Director General, BVCA

Jeryl Andrew

CEO, Level 20

S U M M A R Y

The purpose of this study was to build on our dataset from last year's report to allow us to measure gender diversity in the wider industry while examining the type of roles women have and their seniority.

The study collected and amalgamated data on circa 2,000 employees working in Limited Partner firms as at February 2019.

Our results show that women represent 35% of overall workforce in Limited Partners. Only 25% of investment professionals are

female in our sample. Breaking down the figures by position and seniority, we see that 21% of senior investment roles are held by women.

The BVCA and Level 20 would like to thank all the firms and individuals who participated in the study.



¹Source: ONS Labour Force Survey, April 2019

OVERVIEW OF THE INDUSTRY

A growing asset class

Private equity in the UK is a growing asset class with record numbers of deals in recent years. Institutional investors in the asset class, including pension funds, insurance companies and endowments, benefit from strong returns that flow to their ultimate beneficiaries.

BVCA research has shown that although a long-term asset class, private equity has also outperformed over the short- and medium-term, producing three and five-year annual returns of 21.2% and 17.8%, respectively, compared to the FTSE All-World Ex UK, which returned 11.4% and 11.9% to investors over the same respective time periods.



The top five facts about British private equity and venture capital

- 1. 3,380 companies** are currently backed by UK private equity and venture capital
- 2. 692,000 people** are employed in the UK by companies backed by private equity and venture capital
- 3. 83%** of private equity and venture capital investments in 2017 were directed at **small and medium-sized businesses**
- 4. £32 billion** has been invested in more than **2,500 UK companies** by private equity and venture capital in the past five years
- 5. 14.5%** since inception **returns generated** for **pension funds** and other investments by UK private equity and venture capital

Source: BVCA Research

OVERVIEW OF THE INDUSTRY

There is no typical Limited Partner

The sheer diversity of Limited Partners investing in the UK and European private equity markets makes it challenging to define a typical institution. LPs come in all shapes and sizes, and from a wide universe of institutional investors that include public and corporate pension funds, insurance companies, family offices, fund of funds, secondaries funds, endowments and foundations, asset managers, investment companies, banks and sovereign wealth funds.

For some LPs, such as pension funds, private equity investing forms a small part of their overall portfolio strategy whilst for others, such as fund of funds, it is their sole investment strategy. In turn, this affects the number of people in these institutions that are dedicated to investing in private equity funds. For example, a small family office might have one person responsible for private equity as well as real estate and hedge fund investing, whilst a sovereign wealth fund might have ten or twenty people investing in private equity only. It is also important to note that many large (by assets under management) LPs are not headquartered in the UK which means that most of their support functions are based elsewhere and are therefore not counted in this survey.

Secondaries funds also range in size and assets under management. These funds provide liquidity for investors in private equity funds as well as invest in direct equity stakes in private companies. Some fund of funds have diversified their businesses to include investing in secondary opportunities, co-investments and managing separate discretionary accounts. For some, the lines have blurred to the extent that they can now be called asset managers due to the wide number of products they manage.

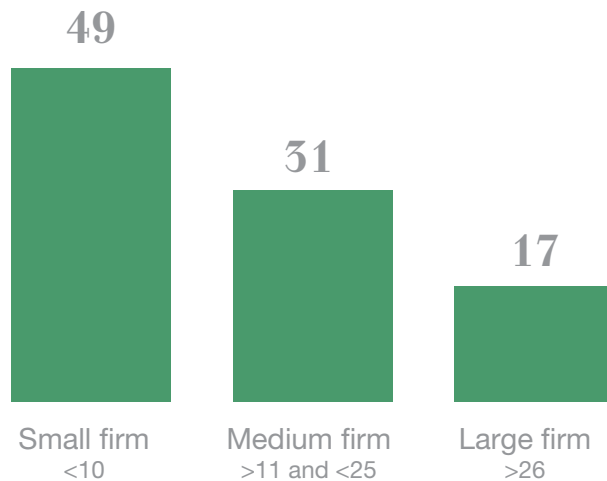
The number of people that are required in different roles, whether in investment teams or in support functions, depends on the particular investor. A pension fund that has one or two people investing in private equity may have shared support functions with other parts of the institution, while a dedicated private equity fund of funds will employ, in addition to its investment team, a larger support infrastructure to look after research, IR, finance, HR, legal and IT.

This study therefore covers a wide range of Limited Partners in terms of number of employees and assets under management.

LIMITED PARTNERS INCLUDED IN THE STUDY

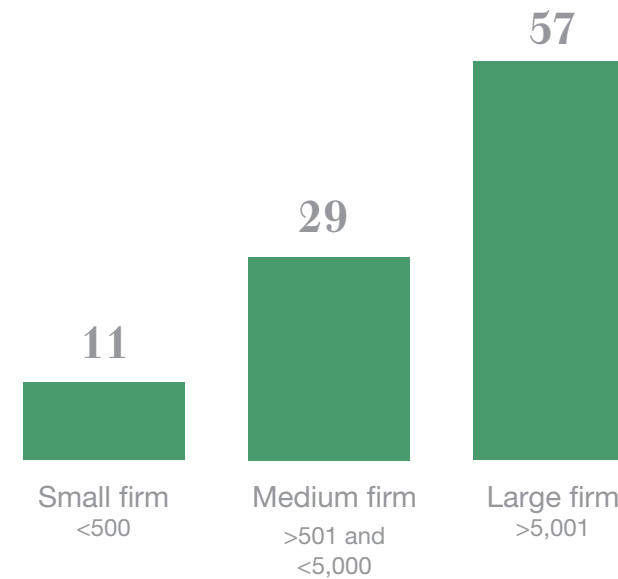
- Data was gathered on 97 active UK Limited Partners from publicly available sources for the study.
- The number of employees in these teams ranged from one to 194. Each firm was then categorised into small, medium and large based on the number of employees it had.
- For the purpose of this study, we concentrated on the number of full time employees (FTE). A breakdown of firms by assets under management (AUM) is provided in Appendix 2.

Number of Limited Partner firms, by FTE



Firm size by FTE

Number of Limited Partner firms, by AUM

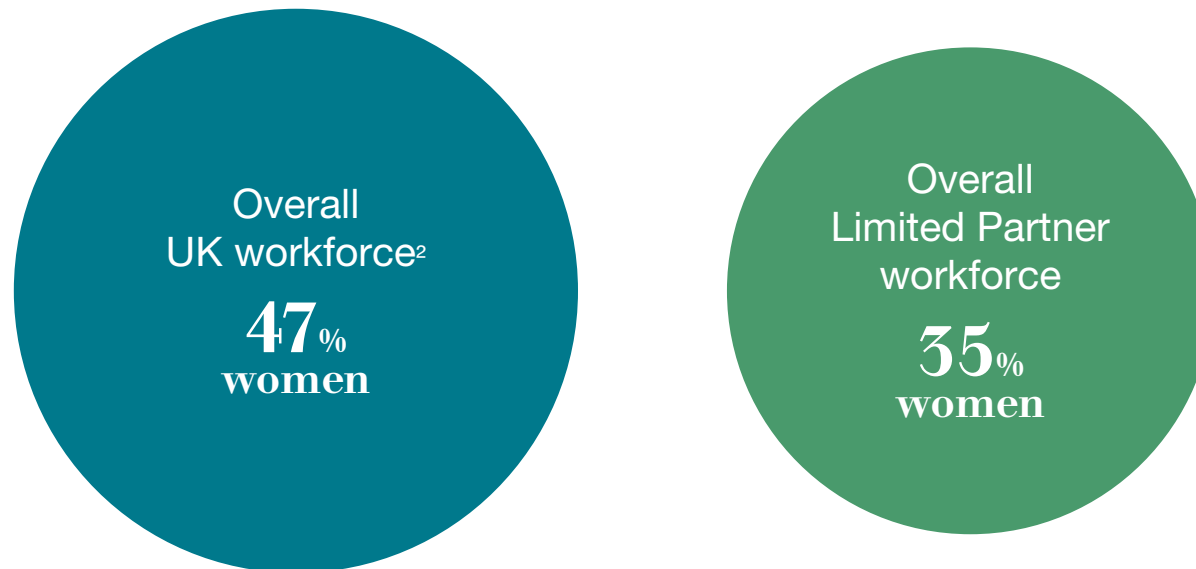


Firm size by global AUM (£m)

OUR FINDINGS

Women are underrepresented in Limited Partner firms

Based on our analysis of 97 firms and circa 2,000 employees, we found that women comprise 35% of Limited Partner workforce. By comparison, women comprise 47% of the UK overall labour force.



²Source: ONS Labour Force Survey, April 2019

OUR FINDINGS

Women account for 25% of investment professionals

Investment professionals are defined as individuals who work in origination, execution, portfolio strategy and portfolio management within the investment function.

There is a much stronger representation of women in non-investment roles, where they comprise 48% of the LP workforce. Non-investment roles include individuals who support the process leading up to an investment decision, including investor relations, marketing, legal, compliance, HR and accounting.



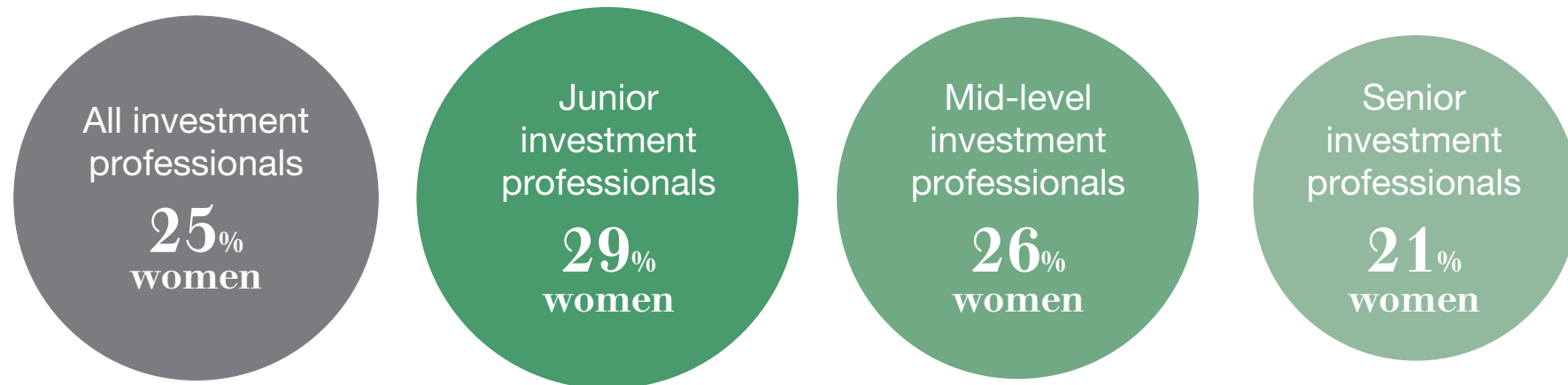
OUR FINDINGS

21% of senior roles in investment teams are held by women

Based on our survey of 97 Limited Partner firms active in the UK, only 21% of senior investment professionals are women.

There is a slightly higher percentage of women at the mid and junior levels, with 26% of the mid-level roles (Investment Manager, Executive Director, Vice President, etc.) and 29% of the junior roles (Associate, Analyst, Investment Executive, etc.) held by women.

Percentage of women in Limited Partner firms, by seniority

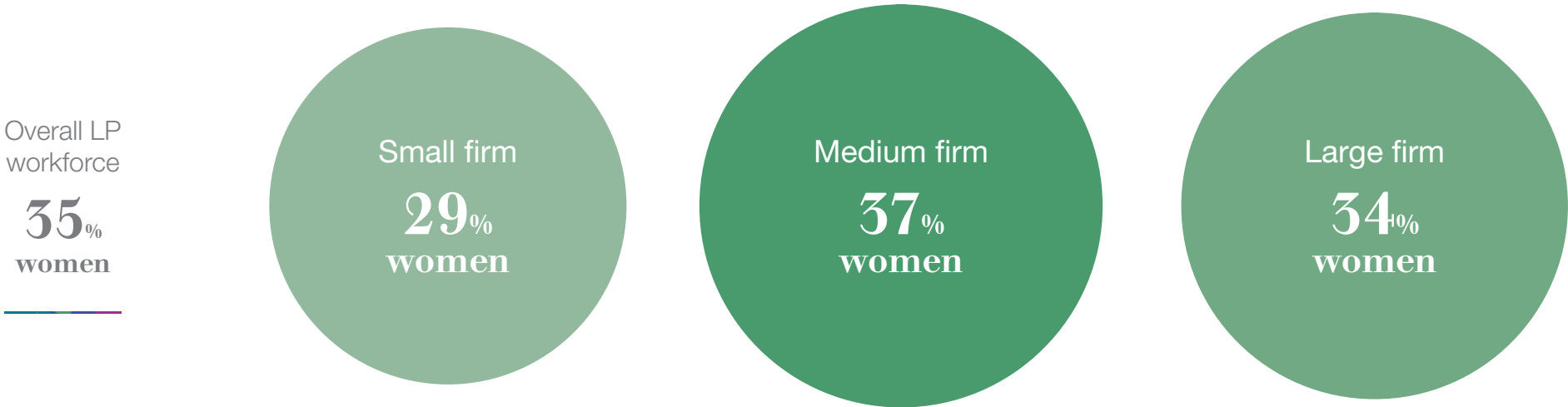


OUR FINDINGS

Medium-sized firms have a higher ratio of women employees

Overall, women comprise 35% of Limited Partner employees. However, our research shows that there is a greater representation of women in medium-sized firms than in small or large-sized organisations.

Percentage of women in Limited Partner firms, by firm size

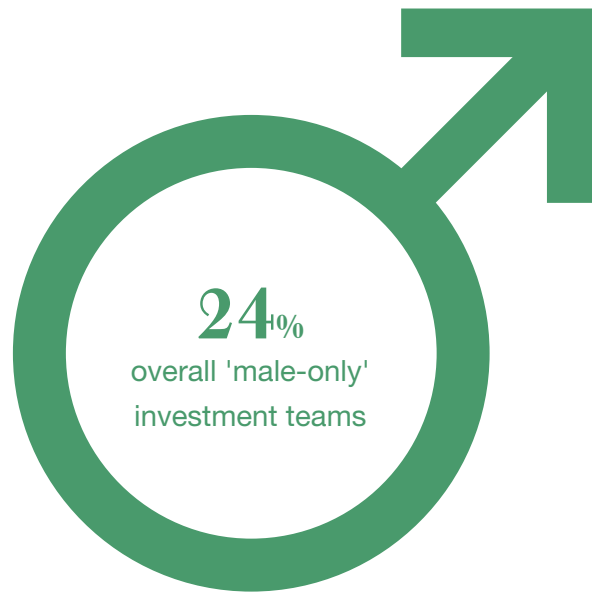


Firm size by FTE
Small firm <10
Medium firm >11 and <25
Large firm >26

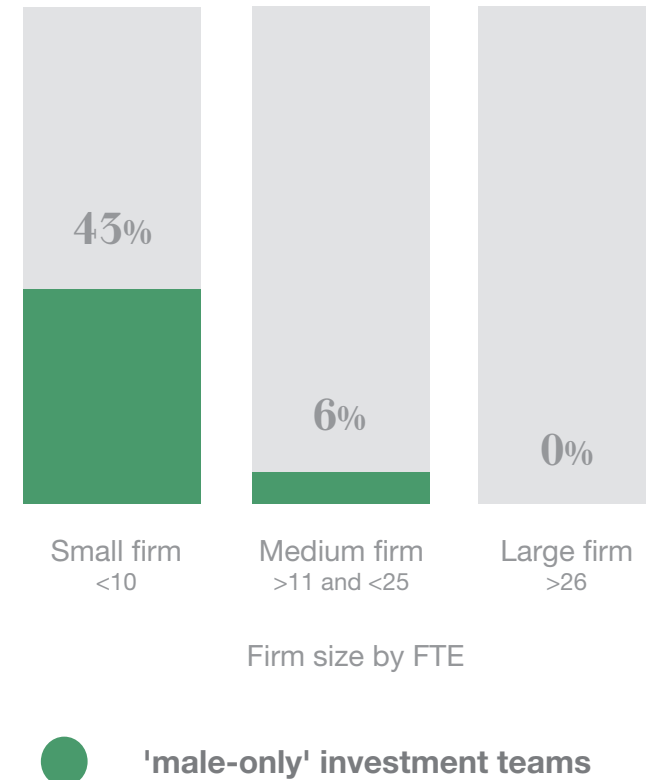
OUR FINDINGS

Almost a quarter of firms have a 'male-only' investment team

In firms with 10 or fewer employees, 43% of the investment teams are comprised entirely of men. As the size of the investment team increases, the proportion of 'male-only' investment teams falls significantly. Firms with more than 26 employees have no 'male-only' investment teams.



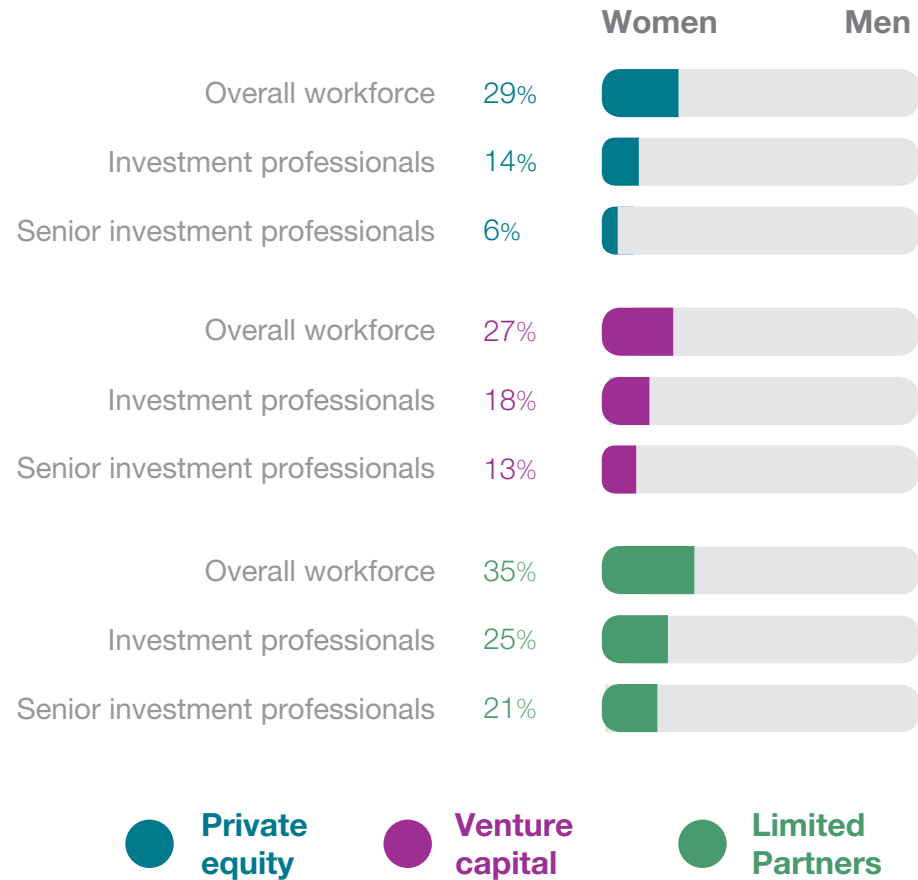
Percentage of 'male-only' investment teams, by firm size



OVERVIEW

Women in private equity industry

There are more women working in Limited Partner organisation than in General Partner (GP) firms in both private equity and venture capital. Women comprise 21% of senior investment professionals in LPs compared with 13% in venture capital and 6% in private equity firms.



METHODOLOGY

The Limited Partners included in the analysis

The full list of 97 Limited Partners included in this analysis is available in the Appendix 1. The list was compiled from public and privately available databases.

To be included in the list, each firm was required to have an office and an investment team based in the UK.

Collecting employee data

The collection of data was a three stage process described below:

- **Raw dataset**

The information in this dataset was gathered through desktop research. We used a number of sources and professional media pages of each firm. The process provided an initial list of information about each employee, including their name, their gender, their job title and their public professional media profile.

- **Manual filtering and assigning job titles and seniority**

In the second stage of the process, the data was 'sense checked' by the project team comprising of the BVCA and Level 20. An analysis of job titles was used to identify whether an employee was in an investment or non-investment role, and their seniority in the firm.

- **Verified by each Limited Partner**

As far as was possible, the desktop and 'sense checked' data was then sent by email to a contact person at each firm for review. The dataset was updated accordingly, upon receiving corrections from the firm.

Of the 97 firms in this analysis, 63 firms responded to confirm their data or provide updates. The remaining 34 firms were manually verified by the project team through a second wave of manual searches on websites and professional media pages. A further six firms declined to take part in the study.

METHODOLOGY

Coding employee roles and seniority using job titles

The data team manually reviewed all job titles. For each job title, the data team attributed the following two codes:

- **Employee role (either investment or non-investment).**
Investment roles include the following titles: Analyst, Associate, Principal and Partner, and other equivalent titles. Non-investment roles include individuals holding job titles such as investor relations, marketing, accounting, and legal, amongst others.
- **Seniority (either junior, mid-level or senior).**
The junior, mid-level and senior code attributions were only applied to investment roles. For the purpose of this report the following categorisation was used:

Seniority	Job titles
Senior	Partner, Managing Partner, Managing Director, etc.
Mid-level	Principal, Investment Manager, Executive Director, Vice President, etc.
Junior	Analyst, Associate, Senior Associate, Investment Executive, etc.

It was not as easy to infer the seniority of non-investment employees, and this fell outside the scope of this report. Coding was largely a subjective exercise and made possible from the combined understanding of the project team. The employee roles and seniority codes were verified by firms, as far as was possible, as explained opposite.

Dates of the research

The research was conducted over a five month period, between December 2018 and April 2019.

APPENDIX 1

Limited Partners included in the study

17Capital

A —

Aberdeen Standard Investments

Adams Street Partners

Alberta Investment Management Corporation

Allstate Investments

Alta Advisers Limited

ARCIS Capital Ltd.

Ardian UK

B —

BAE Systems Pensions

Barclays Pension Scheme

Barings

BBC Pension Trust

BlackRock

Border to Coast Pensions Partnership

Bowmark Fund Investment Group

BP Investment Management

Bregal Private Equity

British Business Investments

British Coal Staff Superannuation Scheme

Brunel Pension Partnership

C —

Caledonia Investments plc

Capital Dynamics

CDC Group plc

CDPQ London

The Church Commissioners

Coller Capital Limited

Commonfund Capital

CPPIB

D —

DWS Private Equity

E —

European Bank for Reconstruction and
Development Equity Funds Team

G —

GCM Grosvenor

Gemini Capital Partners

GIC (London) Private Limited

Glendower Capital

H —

Hamilton Lane

HarbourVest Partners (UK)

Hayfin Capital Private Equity Funds

Headway Capital Partners

Hermes GPE

Höegh Capital Partners

Hollyport Capital

Horsley Bridge Partners

I —

ICG Private Equity Fund Investments

Inter Fund Management

Isomer Capital

J —

J.P. Morgan Asset Management

John Lewis Partnership Pensions Trust

K —

Kedge Capital

Keyhaven Capital

Korea Investment Corporation

L —

Landmark Partners

Larchpoint Capital

Lexington Partners

LGPS Central Limited

APPENDIX 1

Limited Partners included in the study

M —

M&G Private Funds Investment

Meketa Investment Group

Mercer Private Markets

MetLife Investment Management

Misland Capital Limited

Mithras Capital Partners LLP

Morgan Stanley Alternative Investment Partners

Mount Capital Limited

N —

Nationwide Pension Fund

Nesta Trust

Neuberger Berman

Nippon Life Global Investors Europe PLC

The Northern Private Equity Pool

Northleaf Capital Partners

The National Pension Service of Korea

O —

OMERS Private Equity

Ontario Teachers' Pension Plan

OPTrust Private Markets Group

OUEM (Oxford University
Endowment Management)

P —

Pantheon

Partners Capital

Pathway Capital Management

PineBridge Private Funds Group

Pomona Capital

PSP Investments Europe

Q —

Quilvest Private Equity

R —

RIT Capital Partners

Royal London Asset Management

RPMI Railpen

S —

Schroder Adveq Management

Seligman Private Equity Select

Siguler Guff

Stafford Capital Partners

StepStone

Stonehage Fleming

Strategic Partners Fund Solutions

T —

Tesco Pension Investment Limited

U —

UBS Asset Management

Unigestion (UK) LTD.

Universities Superannuation Scheme Limited

V —

VenCap International plc

W —

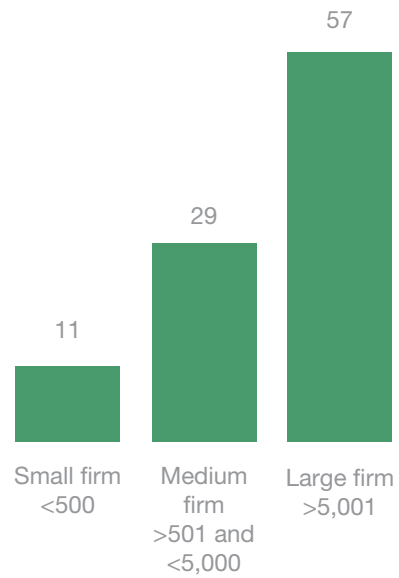
The Wellcome Trust

Wren Investment Office

APPENDIX 2

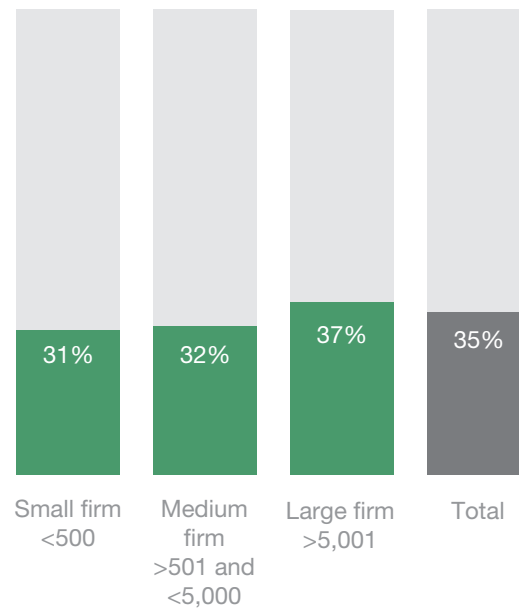
Analysis by assets under management

Number of Limited Partner firms, by AUM



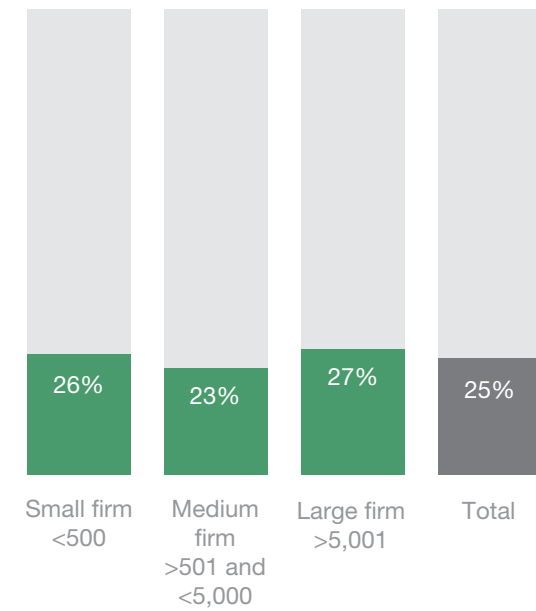
Firm size by global AUM (£m)

Percentage of women in Limited Partner firms, by AUM



Firm size by global AUM (£m)

Percentage of women in investment roles, by AUM

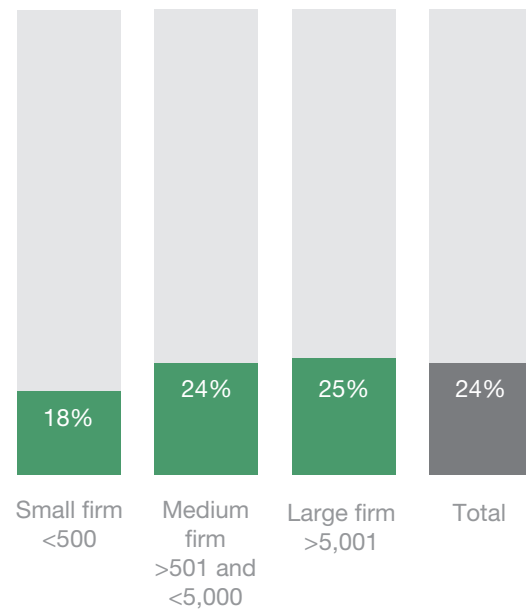


Firm size by global AUM (£m)

APPENDIX 2

Analysis by assets under management

Percentage of 'male-only' investment teams, by AUM



Firm size by global AUM (£m)

About Level 20

Level 20 is a not for profit organisation founded in 2015 by 12 women working in senior roles in private equity, aligned around a common vision of improving gender diversity in the industry.

Level 20's mission is to deliver greater representation for women at all levels in the private equity industry, by inspiring them to join and succeed in this dynamic industry. It is currently financially supported by 49 private equity and venture capital firms and it has over 2,500 individual members across the globe. Level 20's executive team of five works to promote greater gender diversity through the organisation of various initiatives including a mentoring programme; a range of outreach activities to promote private equity careers to young women; a series of educational and networking events; research; and best practice guidance on a range of issues which impact gender diversity.

About the British Private Equity & Venture Capital Association

The British Private Equity & Venture Capital Association (BVCA) is the industry body and public policy advocate for private equity and venture capital in the UK.

For more than three decades we have represented the industry and delivered authoritative research and analysis, proprietary publications, specialist training, topical conferences and best practice standards.

Our membership comprises more than 770 influential firms, including over 300 private equity and venture capital houses, as well as institutional investors, professional advisers, service providers and international associations. We work together to provide capital and expertise to growing businesses, to unlock potential and to deliver enhanced returns to the millions who directly and indirectly invest in our industry.



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