

# Performance Measurement Survey 2021

A survey of the returns generated by independent UK-based funds that raise capital from third-party investors

Highlights

November 2022



# UK Private Capital returns at a glance

The British Private Equity and Venture Capital Association ('BVCA'), in association with PwC, is pleased to be able to publish this highlights paper to accompany our full Performance Measurement Survey report.

Please [click here](#) to access the full report, including details of calculations, commentary and methodology.

## Industry return since 1980

**14.9% p.a.**

Overall industry since inception internal rate of return since 1980

## Industry return since 2012

**22.6% p.a.**

Overall industry since inception internal rate of return since 2012

## Total returns

**1.85x**

Across the industry as a whole since 1980, investors own assets which, if realised at their 31 December 2021 values, would mean investors receive 1.85x their original investment

## Realised returns

**1.37x**

Across the industry as a whole since 1980, investors have received back distributions equal to 1.37x their original invested capital. This excludes the additional value in their, as yet, unrealised portfolios

## 10 year horizon return

**17.5% p.a.**

vs 7.7% p.a. achieved by the FTSE All Share index

## Total return since 2012

**2.01x**

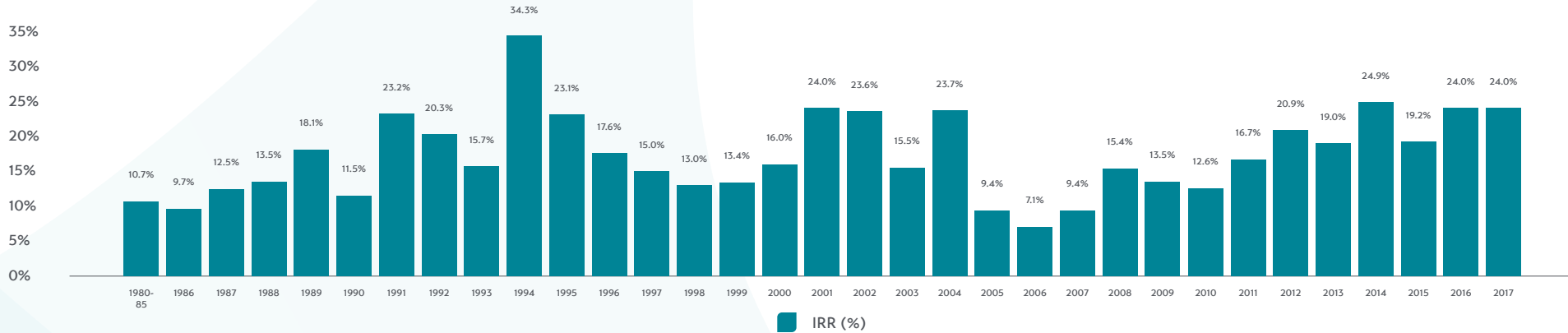
Across the industry as a whole since 2012, investors own assets which, if realised at their 31 December 2021 values, would mean investors receive more than double their original investment



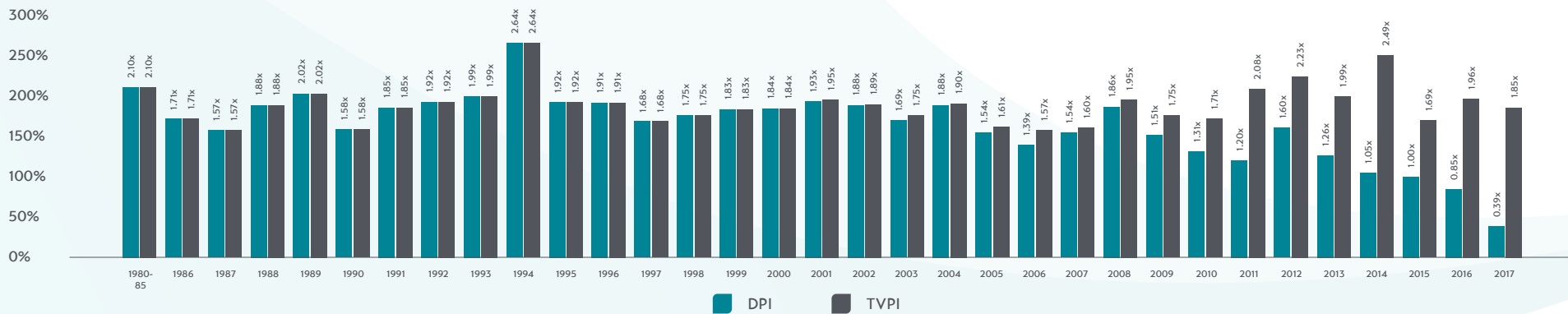
# Since inception performance

## IRR and Multiples // by vintage year

Since inception IRR (%) by vintage year to December 2021



Since inception multiples of invested capital by vintage year to December 2021



# Since inception performance

## IRR and Multiples // by investment stage and subcategory

	No. of funds	IRR to Dec' 2021	Distributions multiple (DPI)	Total value multiple (TVPI)
<b>Pre-1996 vintage funds</b>				
Early stage	24	9.3%	1.70x	1.70x
Development	35	10.2%	1.72x	1.72x
Mid private equity	33	15.8%	1.76x	1.76x
Large private equity	26	18.2%	1.92x	1.92x
Generalist	35	15.8%	2.43x	2.43x
<b>Subtotal pre-1996</b>	<b>153</b>	<b>15.6%</b>	<b>1.97x</b>	<b>1.97x</b>
<b>1996 vintage funds onwards</b>				
Venture	167	8.4%	1.00x	1.87x
Pre-2002 vintage funds	42	-0.5%	0.93x	0.97x
2002 vintage funds onwards	125	12.6%	1.02x	2.21x
Small private equity	128	14.4%	1.18x	1.87x
Mid private equity	227	11.6%	1.07x	1.66x
Large private equity	71	16.6%	1.52x	1.93x
<b>Subtotal 1996 onwards</b>	<b>593</b>	<b>14.7%</b>	<b>1.36x</b>	<b>1.85x</b>
<b>Grand total all funds</b>	<b>746</b>	<b>14.9%</b>	<b>1.37x</b>	<b>1.85x</b>
<b>Subcategories (all vintages)</b>				
UK	486	13.6%	1.29x	1.71x
Non-UK	260	15.5%	1.39x	1.88x
Pan-European	252	16.2%	1.44x	1.88x
Technology	195	13.7%	1.30x	2.25x
Non-Technology	551	15.1%	1.39x	1.80x



# Horizon performance

## IRR by Vintage Year

Vintage year	No. of funds	One year	Three years	Five years	Ten years
1980-1989	80	n/a	n/a	n/a	n/a
1990-1999	151	n/a	-12.5	-41.2	5.5
2000	26	1.2	-9.6	6.4	10.0
2001	29	2.2	-3.2	-0.7	8.2
2002	21	-1.9	-12.7	34.6	10.1
2003	17	-7.6	-7.3	-3.8	9.2
2004	14	4.3	1.5	6.3	4.9
2005	26	13.2	3.2	6.5	19.4
2006	42	63.6	19.1	14.5	13.2
2007	39	1.7	2.3	2.1	10.1
2008	29	10.7	15.0	24.0	19.3
2009	23	-24.0	3.6	6.7	18.1
2010	22	-3.7	-3.8	3.5	13.4
2011	19	-6.0	19.5	15.2	17.1
2012	23	25.3	15.6	20.6	n/a
2013	27	11.3	20.0	19.6	n/a
2014	37	43.0	30.0	25.8	n/a
2015	43	37.5	21.7	20.6	n/a
2016	37	43.7	27.3	24.0	n/a
2017	41	29.0	23.1	n/a	n/a
2018	44	48.4	30.1	n/a	n/a
2019	43	63.8	n/a	n/a	n/a
2020	44	10.4	n/a	n/a	n/a
2021	39	n/a	n/a	n/a	n/a
<b>Total</b>	<b>916</b>	<b>31.5</b>	<b>22.2</b>	<b>20.4</b>	<b>17.5</b>



# Since inception performance

IRR starting from a specific year // by investment stage and subcategory

	Starting from 2017	Starting from 2016	Starting from 2015	Starting from 2014	Starting from 2013	Starting from 2012	Starting from 2011	Starting from 2010	Starting from 2009	Starting from 2008	Starting from 2007
<b>1996 vintage funds onwards</b>											
Venture	27.1	52.6	40.8	31.9	29.8	27.0	26.2	24.2	23.4	21.3	18.1
Small Private Equity	28.4	26.6	18.7	17.5	17.7	20.2	19.5	16.9	16.9	15.7	15.2
Mid Private Equity	18.9	19.7	17.3	18.1	18.0	17.8	17.4	16.7	16.6	16.1	14.9
Large Private Equity	25.7	24.1	25.4	26.0	25.6	24.6	24.6	24.5	22.4	19.5	15.9
<b>Grand total all funds</b>	<b>24.0</b>	<b>24.0</b>	<b>22.5</b>	<b>23.4</b>	<b>23.1</b>	<b>22.6</b>	<b>21.6</b>	<b>20.8</b>	<b>19.9</b>	<b>18.4</b>	<b>15.7</b>
<b>Subcategories</b>											
UK	29.0	23.6	19.0	17.5	16.9	18.3	17.8	18.4	18.5	16.5	15.1
Non-UK	23.8	24.0	23.3	24.5	24.2	23.5	22.2	21.2	20.1	18.7	15.8
Pan-European	20.5	22.0	21.7	23.9	23.8	23.4	22.0	21.1	19.9	18.4	15.4
Technology	28.6	32.4	31.0	30.3	28.9	28.2	27.8	28.2	27.7	26.8	23.7
Non-Technology	22.3	21.5	20.8	20.9	20.7	19.9	19.2	20.4	18.3	17.3	17.3
<b>Total number of funds</b>	<b>41</b>	<b>78</b>	<b>121</b>	<b>158</b>	<b>185</b>	<b>208</b>	<b>227</b>	<b>249</b>	<b>272</b>	<b>301</b>	<b>340</b>



# Since inception performance

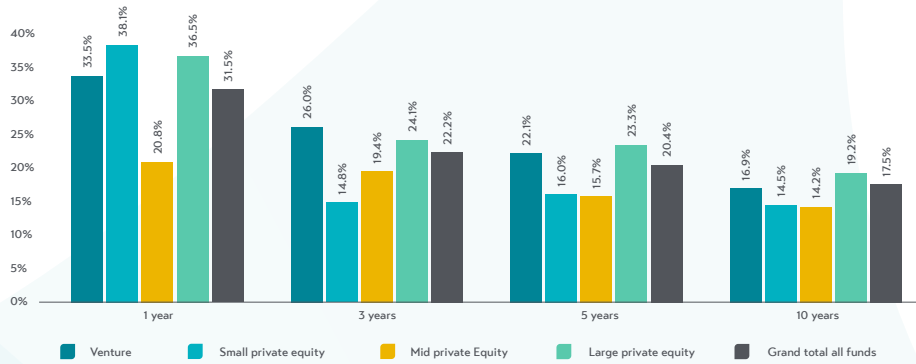
IRR starting from a specific year // by investment stage and subcategory

Continued	Starting from 2006	Starting from 2005	Starting from 2004	Starting from 2003	Starting from 2002	Starting from 2001	Starting from 2000	Starting from 1995	Starting from 1990	Starting from 1980
1996 vintage funds onwards										
Venture	15.5	14.7	14.6	13.8	12.6	10.6	8.4	n/a	n/a	n/a
Small Private Equity	14.9	11.5	11.5	11.8	11.8	15.3	15.0	n/a	n/a	n/a
Mid Private Equity	11.3	10.8	n/a	11.2	11.5	12.1	12.5	n/a	n/a	n/a
Large Private Equity	14.6	13.8	14.2	14.3	14.9	16.0	16.4	n/a	n/a	n/a
<b>Grand total all funds</b>	<b>13.8</b>	<b>13.0</b>	<b>13.3</b>	<b>13.4</b>	<b>13.8</b>	<b>14.7</b>	<b>14.8</b>	<b>14.8</b>	<b>15.2</b>	<b>14.9</b>
Subcategories										
UK	13.2	11.8	12.0	12.3	12.1	12.3	11.7	12.1	13.7	13.6
Non-UK	13.9	13.1	13.5	13.5	14.0	15.1	15.4	15.4	15.6	15.5
Pan-European	13.5	12.8	13.2	13.3	13.8	14.9	15.2	15.9	16.5	16.2
Technology	18.3	18.0	19.0	18.7	18.4	16.9	15.5	14.8	14.6	13.7
Non-Technology	12.9	12.2	12.4	n/a	13.0	14.3	14.7	14.8	15.3	15.1
<b>Total number of funds</b>	<b>382</b>	<b>408</b>	<b>422</b>	<b>439</b>	<b>460</b>	<b>489</b>	<b>515</b>	<b>602</b>	<b>666</b>	<b>746</b>

# Horizon performance

## IRR by investment stage and subcategory

Horizon performance – IRR (%) by investment stage



Horizon performance – IRR (%) by investment subcategory

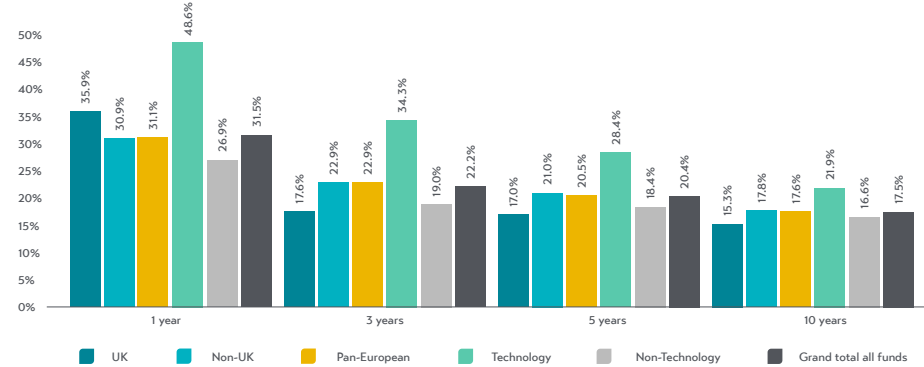


Table 20 – Horizon performance – IRR (%) for BVCA members and FTSE indices

No. of funds	1 year	3 years	5 Years	10 Years	Since Inception
PE and VC	31.5	22.2	20.4	17.5	14.9
FTSE ALL-SHARE INDEX	18.3	8.3	5.4	7.7	n/a
FTSE 100 INDEX	18.4	7.1	4.7	6.9	n/a
FTSE 250 INDEX	16.9	12.9	8.0	11.7	n/a
FTSE 350 INDEX	18.2	8.1	5.2	7.6	n/a

Source: FTSE Russell





# Definitions

## 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.

## 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.

## Investment stage

### Pre-1996 vintage funds

#### 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

Invests in private equity with £10 million to £100 million of equity invested per transaction.

### Large Private Equity

Invests in private equity with more than £100 million of equity invested per transaction.

### Generalist

Invests across all stages of private equity.

### 1996 vintage funds onwards

#### 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 in private equity with less than £10 million of equity invested. 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.

## Fund Subcategories

(apply to all vintages)

### UK

Invests primarily (at least 60% of the fund) in companies outside the UK.

### Non-UK

Invests primarily (at least 60% of the fund) in companies outside the UK.

### Pan-European

Invests in more than two European countries.

### Technology

Invests primarily (at least 60% of the fund) in technology companies.

### Non-Technology

Invests primarily (at least 60% of the fund) in non-technology companies.

Note: The same definitions of mid-private equity and large private equity apply throughout the life of the survey.



# About the Performance Measurement Survey

This report has been produced by the British Private Equity and Venture Capital Association (“BVCA”), in association with PwC to demonstrate the returns generated for investors by our members to 31 December 2021. 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.

For the 2021 survey we received responses from 114 members out of a total eligible pool of 164 members, a response rate of 70%. For comparison, for the 2020 survey we received responses from 119 members out of a total of 158 who were eligible.

Further information, detailed calculations and commentary can be found in the full report [here](#).

## Authors

**Suzi Gillespie**  
Head of Research

**Adele Yan Lun**  
Data Manager

**Henal Chudasama**  
Senior Research Analyst

**Martin Senk**  
Research Manager

**Hind Jbala**  
Research Analyst

**Greg Whittaker**  
Marketing Manager

The BVCA would like to thank the individuals who served on the Performance Measurement Survey Review Board during the preparation of this report.

We would also like to extend our thanks to all firms who responded to our Performance Measurement Survey.

Please contact [research@bvca.co.uk](mailto: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 almost 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 700 businesses from across the private capital ecosystem. This includes more than 325 PE and VC firms, 100 institutional investors and 220 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 society’s future challenges.

**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.

© 2022 British Private Equity and Venture Capital Association

BVCA refers to the British Private Equity and Venture Capital Association



Contact us

British Private Equity & Venture Capital Association (BVCA)

3rd Floor, 48 Chancery Lane, London WC2A 1JF  
+44 (0)20 7492 0400 / [research@bvca.co.uk](mailto:research@bvca.co.uk) / [www.bvca.co.uk](http://www.bvca.co.uk)

Find us on

