



Press Release

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US-based firms dominate the latest HEC Paris-DowJones Private Equity 'Fund of Funds' performance ranking

In its 2nd edition, the ranking evaluates PE firms investing in other PE firms at an international level. Newcomers Union Grove Venture Partners, Peakview Capital, and Cross Creek took the first three spots.

A new study conducted by Strategy [Professor Oliver Gottschalg from HEC Paris](#) has revealed that US-based 'Fund of Fund' firms dominate the worldwide rankings.

The top eight firms in 2022 HEC Paris-DowJones PE Fund of Funds Performance Ranking are all US-based, suggesting that firms with strong US roots and relationships have been effective at providing access to top venture capital opportunities.

This year's edition also showed that none of the better-known firms in the 'fund of funds' segment made it to the top ten, with **Union Grove Venture Partners, Peakview Capital, and Cross Creek taking the 1st, 2nd, and 3rd positions respectively.**

The ranking set out to answer the question: "Which firms in the Primary Fund of Funds segment generated the best performance for their investors based on funds raised between 2009 and 2018?"

The study looks at the firms who have invested in other private equity firms by becoming limited partners.

The top performers demonstrate their ability to navigate the challenging landscape of the Private Equity industry. According to Prof. Gottschalg, it is quite remarkable that despite this, **the most well-known brand names in the industry did not make it to the top ten:** " *This finding challenges the notion that brand recognition and size are the sole indicators of success in the Fund of Funds space,*" he explains.

This observation raises the question of whether the lack of prominent brand names is due to incomplete performance data or if it signifies the remarkable performance achieved by lesser-known firms.

Professor Gottschalg also found that six out of the top ten performers raised less than 1 billion USD cumulatively over the decade of vintages (2009-2018) considered in this study.

Methodology

The ranking draws on a comprehensive set of data on PE fund performance sourced from Preqin and directly from PE Firms using a unique methodology to calculate the aggregate performance of a PE firm based on different performance measures for all the funds managed by this firm.

The aggregate performance score can only be interpreted relative to the average aggregate performance score of all firms analysed.

A total of 99 Fund of Fund Managers and their 454 funds raised between 2009 and 2018, with an aggregate equity volume of \$131 billion, were analysed to determine the top performers in the primary Fund of Funds segment.

The 2022 HEC Paris-DowJones PE Fund of Funds Performance Ranking:

Rank	Firm	Performance Score	Headquarters
1	Union Grove Venture Partners	1.76	USA
2	Peakview Capital	1.60	USA
3	Cross Creek	1.58	USA
4	Performance Equity Management	1.03	USA
5	Horsley Bridge Partners	0.85	USA
6	Bay Hills Capital	0.81	USA
7	Accolade Partners	0.67	USA
8	Glouston Capital Partners	0.59	USA
9	SwanCap Partners	0.48	Germany
10	Schroders Capital	0.31	UK

The Private Equity industry has long been shrouded in opacity, making access to reliable data a challenge. However, the HEC Paris-DowJones PE Fund of Funds Performance Ranking aims to address this issue by shedding light on the performance and competitive behaviour of key PE firms.

Since 2009, HEC Paris and DowJones have joined forces to publish regular rankings based on historic performance and expected future competitiveness.

The study selected all those Fund of Funds Managers that met the following objective criteria:

- At least 2 funds which raised over the 2009 to 2018 period for which full performance information is available;
- Performance data available on all of these the funds
- Over \$200m raised during this time;
- Investments in US, EU or global
- At least 10 observation years (i.e. the sum of the 'age' of all funds as of today);

Using a unique methodology, the ranking calculates the aggregate performance of a PE firm based on different performance measures for all the funds managed by that firm.

This methodology allows for the aggregation of performance across vintage years while considering relative and absolute returns.

About HEC Paris:

Founded in 1881, HEC Paris is a leading European Business School. Its ambition is to positively impact both businesses and society thanks to its three-pronged approach “**Think, Teach, Act**” and thus to contribute to a more inclusive, sustainable and prosperous world.

With 160 research professors from all around the world producing and teaching unique knowledge to **more than 4,500 students from 135 different countries**, the HEC Paris campus serves as a real laboratory for innovation and exchange which is open to the world’s diversity and challenges.

Inspired by its 5 core values -**Excellence, Curiosity, Entrepreneurial spirit, Diversity and Responsibility**- HEC Paris offers a complete range of training courses for the leaders of tomorrow: the Pre-Experience Program, specialized masters, MSc, the Summer School, the MBA, the Executive MBA, the TRIUM Global Executive MBA, the PhD, as well as a wide variety of programs targeted to leaders and managers.

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