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BUYOUTS | August 12, 2013

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FIRM NEWS

'League Table' By Preqin Highlights Top PE Firms

By Gregory Roth

As part of Preqin's annual effort to assess the performance of the private equity fund universe, the private equity data provider has produced a "league table" showcasing the firms whose funds consistently outperform their peers. Historically, private equity has demonstrated a stronger correlation between past performance and future results than almost any other asset class, one of the main reasons that competition is so fierce among investors to commit money to managers with consistently strong fund performance.

Ignatius Fogarty, Preqin's head of private equity products, said in a statement, "There is clear evidence to suggest that managers of top-tier funds are more likely than their peers to continue to produce top-performing funds in the future, though... past performance is not a guarantee of future success."

The data provider excluded all funds with vintage years of 2011 or later. Moreover, Preqin said the firms in the ranking had to be active managers that have raised at least three funds with a similar strategy. The firms also had to have raised a new fund within the last six

years. Overall, scores were an average of performance quartiles of a firm's funds. If a firm had three funds, all of which ranked in the top quartile, the firm received the top score of one. A firm with four funds, two of which ranked in the second quartile and two of which ranked in the third quartile, would receive a score of 2.5, and so on.

Tim Friedman, the head of U.S. operations at Preqin, said it was important to note that each fund's quartile ranking is dependent on its vintage year and geo-

graphic home. Thus, a U.S. firm's 2003 fund gets its quartile ranking by being compared to other North American funds launched in 2003.

A quick look at the rankings has four firms capturing the highest overall (and possible) score of 1.0. They were **Inflexion**, **Veritas Capital**, **Vista Equity Partners** and **Wynnchurch Capital Partners**. Each of these firms had just three funds, with each fund ranking in the top quartile, according to Preqin. See the table below for a ranking of the top performers.

Preqin Table of Most Consistently High Performing Buyout Firms

Firm Name	Location	Overall Number Of Funds With Quartile Ranking	Number of Funds in the 1st Quartile	Number of Funds in the 2nd Quartile	Average Quartile Rank
Inflexion	UK	3	3	0	1
Veritas Capital	US	3	3	0	1
Vista Equity Partners	US	3	3	0	1
Wynnchurch Capital Partners	US	3	3	0	1
FIMI	Israel	4	3	1	1.25
Waterland Netherlands	Neth.	4	3	1	1.25
ACON Investments	US	3	2	1	1.33
Altor Sweden	Sweden	3	2	1	1.33
American Securities	US	3	2	1	1.33
Auctus Management Germany	Germany	3	2	1	1.33
Harwood Private Equity	UK	3	2	1	1.33
Industrial Growth Partners	US	3	2	1	1.33
Wellspring Capital Management	US	3	2	1	1.33

Source: Preqin



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