

# PRIVATE EQUITY PERFORMANCE OVERVIEW

eFront® Insight Research Quarterly Report  
Q1 2022 Issue



# INTRODUCTION

In the first quarter of 2022, the quarterly returns for private markets dropped below zero for the first time after Q1 2020. Global buyout funds lost -0.3%, while the global venture capital investments lost -0.9% of their value. Vintage years 2019 and 2020 were the most heavily affected by the adverse developments at the beginning of 2022. Except for the energy sector that delivered a positive quarterly return above 15%, all the other industry sectors experienced a sharp decline in performance during the first quarter of this year.

The regular edition of the eFront Insight Research Quarterly Report presents two sets of performance metrics. The first is based on the fund-level transaction data sourced directly from limited partners who report on the capital calls and distributions paid in and received from the GP managers they are invested with. Transaction data allows the direct calculation of the net-of-fees performance averaged out across the selection of funds. The second set of performance metrics leverages the deal-level data sourced from GP managers who report portfolio deal characteristics and financials every quarter to their investors. This rich and granular dataset enables a thorough breakdown of performance figures across regions and industry sectors. All the reported performance metrics in the second part are presented on a gross-of-fees basis.

eFront Insight Research Quarterly Report delivers only a selection of performance benchmarks to its readers. eFront Insight clients have access to the eFront Insight Quarterly Data Pack catalog of benchmarks, including the performance dispersion metrics, performance breakdown by industry sub-sectors, more granular regional performance benchmarking (per country), the performance ratios of realized deals, the pace of new investments and many more. This new service provides eFront Insight subscribers access to deal evolution across 40,000 private equity investments. It enables clients to benchmark the performance of their direct and passive portfolio holdings and forecast and plan the value creation and exit expectations of their asset level holdings through trend analysis.

## REPORT COVERAGE

100,000



Private equity deals

50,000



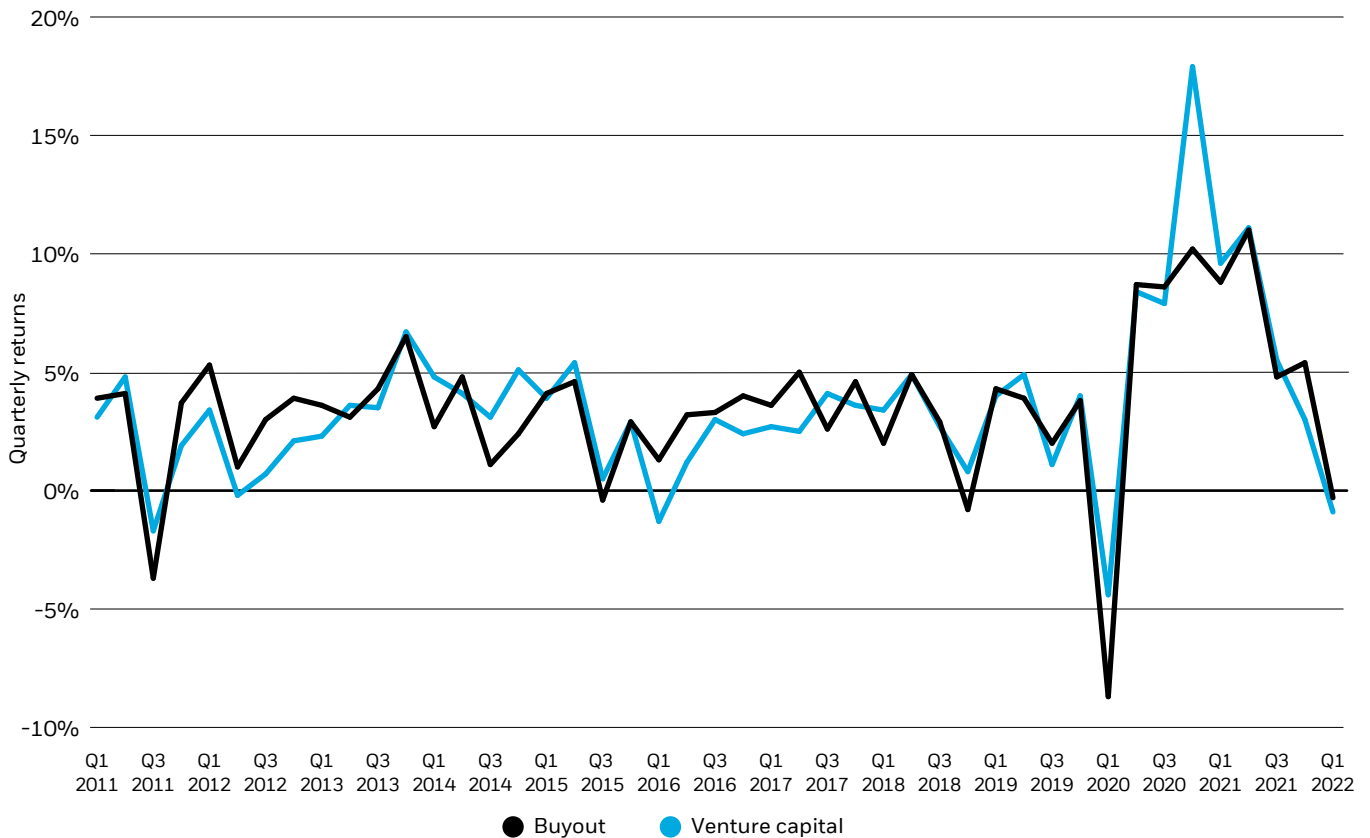
Real estate investments



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eFront Insight enables limited partners to generate deep insights, enhancing their decision making for due diligence and portfolio construction processes.

# FUND LEVEL ANALYSIS

**Figure 1**  
**THE TWELVE-YEAR EVOLUTION OF QUARTERLY RETURNS OF INSIGHT RESEARCH INDEX (Q1 2011 – Q1 2022) BY STRATEGY.**



Source: eFront Insight, as of Q1 2022. The Insight Research Index plots the one quarter return for the funds within the Insight Research universe. Each one quarter return is calculated using the Modified Dietz method using the data on capital calls paid by limited partners and distributions returned by a fund manager during the observed quarter. The transactions are reported directly by limited partners. The returns are calculated in USD. The performance is calculated on a net-of-fees basis. Strategies included: Leveraged buyout and venture capital.

# ABOUT INSIGHT RESEARCH INDEX

The Insight Research Index plots the one quarter return for the funds within the Insight Research universe. Each one quarter return is calculated using the Modified Dietz Method that puts a time weight on cash flows paid and received by limited partners.

A quarterly modified Dietz method return is calculated as:

$$R_{MDietz} = \frac{EMV - BMV - CF}{BMV + \sum_{i=1}^n W_i CF_i}$$

Where

<p><b>EMV</b> Ending Market Value</p>	<p><b>BMV</b> Beginning Market Values</p>
<p><b>CF</b> Cash Flows during the period</p>	<p><b>W<sub>i</sub></b> [CD - D<sub>i</sub>] / CD</p>

Where

**CD** = the number of calendar days during the return period being calculated

**Di** = the number of days from the start of the return period until the day on which the flow, **CF<sub>i</sub>**, occurred.

## FUND LEVEL ANALYSIS

**Table 1**

**THE LAST QUARTER RETURN ON INSIGHT RESEARCH INDEX BY REGION AND STRATEGY.**

Q1 2022 return on Insight Research Index by Region and Strategy.

Strategy	Buyout	Venture Capital
Europe	-0.3%	-0.3%
North America	-0.3%	-1.0%
Asia Pacific	-0.5%	-1.2%
Rest of the World	-0.5%	1.6%
All	-0.3%	-0.9%

Source: eFront Insight, as of Q1 2022. The table presents the last quarter return on Insight Research Index for the funds within the Insight Research universe broken down by PE sub-strategy and region. Each one quarter return is calculated using the Modified Dietz method using the data on capital calls paid by investors and distributions returned by a fund manager during the observed quarter. The transactions are reported directly by limited partners. The returns are calculated in USD. The performance is calculated on a net-of-fees basis. Strategies included: Leveraged buyout and venture capital.

**Table 2**

**THE LAST TWELVE-MONTH RETURN ON INSIGHT RESEARCH INDEX BY REGION AND STRATEGY.**

Rolling 12M return on Insight Research Index by Region and Strategy.

Region	Buyout	Venture Capital
Europe	26.1%	33.8%
North America	24.2%	24.7%
Asia Pacific	13.4%	1.9%
Rest of the World	26.2%	44.3%
All	23.8%	21.3%

Source: eFront Insight, as of Q1 2022. The table presents the last twelve-month return on Insight Research Index for the funds within the Insight Research universe broken down by PE sub-strategy and region. Each one quarter return is calculated using the Modified Dietz method using the data on capital calls paid by investors and distributions returned by a fund manager during the observed quarter. The transactions are reported directly by limited partners. The returns are calculated in USD. The performance is calculated on a net-of-fees basis. Strategies included: Leveraged buyout and venture capital.

**Table 3****THE INVESTMENT-TO-DATE PERFORMANCE MULTIPLES AND IRRS BY REGION AND STRATEGY.**

Fund – Level Performance Multiples and IRRs by Region and Strategy.

<b>Strategy</b>	<b>Buyout</b>		<b>Venture Capital</b>	
<b>Region</b>	<b>TVPI</b>	<b>IRR</b>	<b>TVPI</b>	<b>IRR</b>
Europe	1.70x	15.1%	1.85x	10.8%
North America	1.67x	13.6%	1.91x	14.1%
Asia Pacific	1.51x	11.0%	1.65x	11.0%
Rest of the World	1.35x	4.3%	1.76x	8.7%
All	1.67x	13.8%	1.93x	13.7%

Source: eFront Insight, as of Q1 2022. The table presents the pooled average Total-Value-Paid-In performance multiple (TVPI) and the pooled average internal rate of return (IRR) for the funds within the Insight Research universe broken down by PE sub-strategy and region. The TVPI represents a cumulative relative return and the IRR an annualized return, both calculated using fund cash-flows since their inception. The returns are calculated in USD. The performance is calculated on a net-of-fees basis. Strategies included: Leveraged buyout and venture capital.

## FUND LEVEL ANALYSIS

**Table 4**  
**THE INVESTMENT-TO-DATE PERFORMANCE MULTIPLES AND IRRS BY VINTAGE YEAR AND STRATEGY.**  
 Fund – Level Performance Multiples and IRRs by Vintage Year.

Vintage year	Buyout		Venture Capital	
	TVPI	IRR	TVPI	IRR
2000	1.81x	14.2%	0.97x	-0.4%
2001	1.90x	20.2%	1.17x	2.5%
2002	1.90x	19.7%	1.28x	6.0%
2003	2.10x	20.0%	1.43x	6.3%
2004	1.74x	14.7%	1.55x	6.2%
2005	1.56x	8.5%	1.91x	10.0%
2006	1.40x	5.6%	1.48x	6.3%
2007	1.53x	8.2%	1.75x	8.9%
2008	1.70x	11.9%	1.88x	10.8%
2009	1.92x	17.0%	2.19x	14.1%
2010	1.59x	9.6%	2.13x	14.5%
2011	1.81x	13.9%	2.39x	16.7%
2012	1.83x	15.0%	2.78x	20.2%
2013	1.79x	15.1%	2.10x	15.9%
2014	1.99x	19.1%	2.34x	18.6%
2015	1.57x	14.9%	2.43x	22.5%
2016	1.89x	20.8%	2.22x	25.7%
2017	1.77x	23.0%	1.89x	24.3%
2018	1.62x	27.6%	1.73x	26.2%
2019	1.34x	25.9%	1.65x	38.5%
2020	1.21x	26.1%	1.38x	40.4%

Source: eFront Insight, as of Q1 2022. The table presents the pooled average Total-Value-Paid-In performance multiple (TVPI) and the pooled average internal rate of return (IRR) for the funds within the Insight Research universe broken down by PE sub-strategy and vintage year. The TVPI represents a cumulative relative return and the IRR an annualized return, both calculated using fund cash-flows since their inception. The returns are calculated in USD. The performance is calculated on a net-of-fees basis. Strategies included: Leveraged buyout and venture capital.



# DEAL LEVEL ANALYSIS

**Table 5**

**THE QUARTERLY AND THE LAST-TWELVE-MONTH PERFORMANCE<sup>1</sup> OF PE DEALS BY INDUSTRY SECTOR.**

Deal – Level Quarterly Return by Industry Sector.

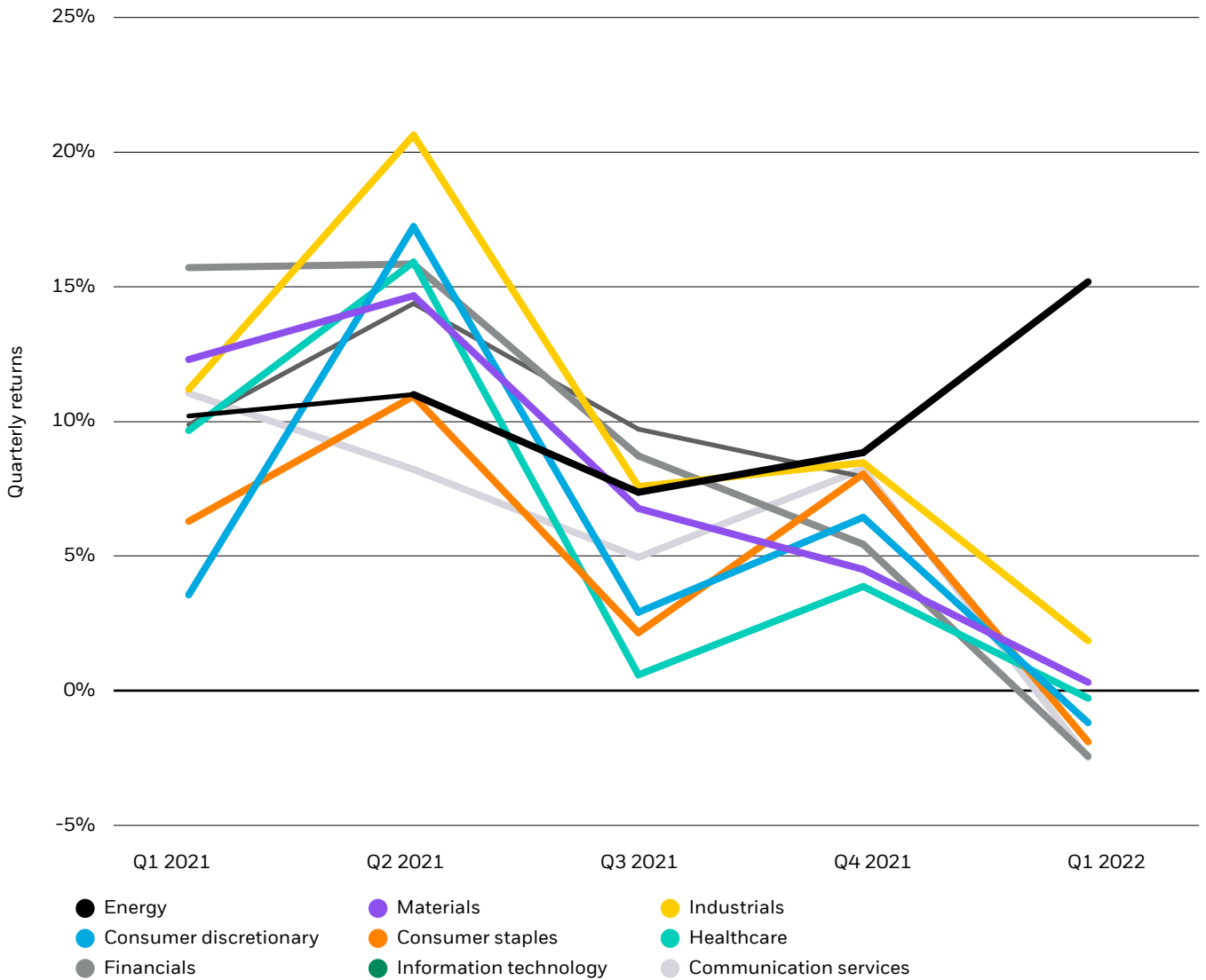
Industry sector	Q2 2021	Q3 2021	Q4 2021	Q1 2021	LTM Q1 2022
Energy	11.0%	7.4%	8.9%	15.2%	51.4%
Materials	14.7%	6.8%	4.5%	0.3%	30.2%
Industrials	20.7%	7.6%	8.5%	1.9%	38.8%
Consumer discretionary	17.3%	2.9%	6.5%	-1.2%	27.9%
Consumer staples	11.0%	2.2%	8.1%	-1.9%	25.8%
Healthcare	15.9%	0.6%	3.9%	-0.3%	20.8%
Financials	15.9%	8.7%	5.5%	-2.4%	30.1%
Information technology	14.4%	9.7%	8.0%	-1.9%	33.5%
Communication services	8.2%	5.0%	8.3%	-2.5%	20.3%
Utilities	3.9%	5.9%	12.5%	-1.9%	22.7%
Real estate	5.0%	5.0%	6.1%	-0.5%	16.8%

Source: eFront Insight, as of Q1 2022. The table presents the quarterly and the last twelve-month performance over the past year for the PE funds within the Insight Research universe broken down by industry sectors. Quarterly return is calculated as a relative change in the market value of a deal as reported in the investment schedule segment of the quarterly report between two quarter-ends. The last twelve-month return is calculated as a relative change in the market value of a deal as reported in the investment schedule segment of the quarterly report between two year-ends. The returns are calculated in USD. The performance is calculated on a gross-of-fees basis. Strategies included: Leveraged Buyout and Venture Capital.

<sup>1</sup> The LTM return provided does not correspond to the aggregate return derived from the last four quarterly returns given in the table because the sample composition of deals used at the quarter-ends evolves over quarters.

## DEAL LEVEL ANALYSIS

**Figure 2**  
**FIVE-QUARTER EVOLUTION OF QUARTERLY PERFORMANCE (Q1 2021 – Q1 2022) BY INDUSTRY SECTOR.**



Source: eFront Insight, as of Q1 2022. The table presents the evolution of quarterly performance over the past five quarters for the PE funds within the Insight Research universe broken down by industry sectors. Quarterly return is calculated as a relative change in the market value of a deal as reported in the investment schedule segment of the quarterly report. The returns are calculated in USD. The performance is calculated on a gross-of-fees basis. Strategies included: leveraged buyout and venture capital.

**Table 6**  
**THE QUARTERLY AND THE LAST TWELVE-MONTH PERFORMANCE OF PE DEALS (Q2 2021 – Q1 2022)**  
**BY REGION.<sup>2</sup>**

Deal – Level Quarterly Return by Region.

Region	Q2 2021	Q3 2021	Q4 2021	Q1 2021	LTM Q1 2022
North America	15.9%	8.2%	8.5%	0.3%	35.3%
Europe	15.8%	5.1%	4.8%	-1.5%	26.9%
Western Europe	14.9%	4.8%	5.8%	-0.4%	27.8%
Northern Europe	18.2%	8.4%	5.6%	-1.1%	34.8%
Southern Europe	14.8%	5.3%	6.0%	-0.4%	31.7%
Central and Eastern Europe	21.0%	-3.0%	-10.4%	-21.3%	-16.7%
Asia Pacific	10.4%	-0.5%	4.5%	-3.2%	14.6%
Eastern Asia	7.8%	-8.9%	0.9%	-4.9%	-0.5%
South Asia	10.7%	14.3%	8.8%	3.0%	37.4%
South East Asia	13.5%	8.3%	15.7%	2.5%	36.4%
Oceania	7.7%	4.4%	10.4%	5.8%	28.8%
Rest of the World	20.8%	0.7%	3.1%	9.2%	34.2%

Source: eFront Insight, as of Q1 2022. The table presents the quarterly and the last twelve-month performance over the past year for the PE funds within the Insight Research universe broken down by region. Quarterly return is calculated as a relative change in the market value of a deal as reported in the investment schedule segment of the quarterly report between two quarter-ends. The last twelve-month return is calculated as a relative change in the market value of a deal as reported in the investment schedule segment of the quarterly report between two year-ends. The returns are calculated in USD. The performance is calculated on a gross-of-fees basis. Strategies included: Leveraged buyout and venture capital.

<sup>2</sup> The LTM return provided does not correspond to the aggregate return derived from the last four quarterly returns given in the table because the sample composition of deals used at the quarter-ends evolves over quarters.

# ABOUT EFRONT INSIGHT

With limited partners looking to grow their exposure to private markets, securing high-quality data and powerful analytics has become essential for attaining top quartile performance. With reliable investment and benchmark data, best in class data collection service and ESG risk detection, eFront Insight enables limited partners to generate superior insights, enhancing their decision-making for due diligence and portfolio construction processes.

## eFront Insight | Data Services

eFront Insight's managed data services streamline the exchange of data between limited and general partners through its SaaS portal supported by data collection services and state-of-the-art machine learning automation capabilities. eFront Insight ensures investors always have access to granular, high-quality, verified data and KPIs about fund managers, funds and underlying assets, covering all alternative asset classes — private equity, real estate, infrastructure and private debt.

2,500+

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managers providing data every quarter.

150,000+

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portfolio companies and properties and growing.

>10,000

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funds collected on quarterly basis.

## **Automation of data collection**

BlackRock has developed a novel natural language processing (NLP) method for understanding text and for capturing and digitizing data from complex documents rich in unstructured content such as quarterly reports received by private markets investors. This newly introduced proprietary NLP technology enabled the modelling of more complex reading orders that proved to be highly effective in understanding the semantics of numbers displayed in tables.

Bringing this complex automated process power to the data services team radically improves how we collect, extract, and organize thousands of documents containing unstructured data. The underlying technology unlocks any document, collecting content in various formats – such as PDF and Word – directly from external portals or email attachments. It then automatically gathers characteristics of the document to quickly extract key metrics and KPIs into a new template, generating easy-to-read reports purpose-built for investors. This innovation embedded in eFront Insight bolsters the timeliness of data service, increases the precision of data extraction and delivers the value to clients at scale.

### **LEARN MORE:**

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