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From KKR to Thoma Bravo: How 10 top private equity firms are performing as sky-high tech prices from 2021 fall back to earth

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Left to right: Orlando Bravo, Robert Smith, and Jon Winkelried,.

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Times have changed for private equity dealmakers, especially for those funds that invested in technology. For nearly a decade, firms like Thoma Bravo and Vista Equity Partners, delivered some of the best returns in the industry. But a slowdown in deals and fundraising means many of the firms that invested during the height of the market are poised to deliver disappointment instead. Investors are looking anxiously at 2021—a year that saw a record number of deals, many at sky-high valuations, whose performance is now coming into focus. That’s why *Fortune* has compiled a list, further below, that is showing the early winners and losers from that year.

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Private equity’s once-fat returns have shrunk noticeably in the past two years, said Jeff Chang, a senior managing director and head of private equity at Guardian Life. “The Golden Age of private equity is over. The strong returns generated from 2010 to 2020 driven by zero interest rates, a strong economy and technology adoption is over for now,” Chang told *Fortune*. Only the best private equity firms, those with differentiated skill sets, will be able to produce the returns that have “spoiled the industry for the past 10 years,” he said.

For context, it’s helpful to recall that, in late 2021, the tech-heavy [Nasdaq](#) composite closed hit its all-time high of 16,057.44, on November 19 of that year. The M&A market was also setting records during this time: roughly 50,000 global

announced mergers were valued at \$6 trillion in 2021, according to Dealogic. The number of U.S. deals soared by 41% year-over-year to 14,776 totaling \$2.7 trillion, up 75% from 2020.

Unsurprisingly, this was a busy time for private equity firms, which [took part](#) in over \$400 billion worth of announced tech deals in the US in 2021, according to law firm Watchtell, Lipton, Rosen & Katz. This is double the \$196 billion in deal volume that PE firms notched in 2020 and up 173% from the \$146 billion in transactions private equity backed in 2019. Software companies were sold at an average of 20 times revenue in 2021, with the hottest businesses going for as much as 70 times, according to a Feb. 14 research note from [Morgan Stanley](#). Those valuations have plunged. Software companies are now selling at an average of 7 to 8 times revenue, the note said.

How did valuations get so high? Mitchell Green, founder and CEO of Lead Edge Capital, a growth equity firm that has \$5 billion in assets under management and invests in technology companies has a one word-explanation: FOMO. So-called “fear of missing out” was the major reason most investors bought tech companies at such inflated prices in 2021, he said.

“Most people are herd mentality investors,” Green said. “People chase bubbles and investors have a fear of missing out. Bubbles get crazier and crazier until they pop They end when people are like, ‘well...I don’t want to be the last one around the table’ and they rush to sell.”

Looking back, the FOMO that Green describes is understandable. Consider that software focused private equity firms have delivered some of the best returns in the industry, as measured by two widely-used industry metrics: internal rate of return (IRR) and gross multiple on invested capital (MOIC). Vista, for instance, generated a 37.4% gross IRR and 3.12x gross MOIC on 51 fully realized investments across all its PE strategies from 2000 to March 31, 2023, according to a [July memo](#) from the New Jersey Division of Investment, an investor. (In private equity, IRR’s higher than 20% are considered good while LPs typically seek a MOIC of 2x or more for mature funds.)

Some of the best returns right now are from funds raised in 2016, 2017 and 2018, mainly because they benefited from soaring valuations that rose even higher as the 2021 bubble approached, one PE executive said. Firms that were able to sell their holdings in 2020 or 2021 were able to secure much higher multiples, they added. Consider the tenth fund from Insight Partners, which announced 50 global tech deals in 2021, more than any other firm on our list. Insight Partners X, which raised \$6.31 billion in 2018, is [posting](#) a 27.3% net IRR and a 2.5x investment multiple as of June 30, according to the California Public Employees’ Retirement System, or CalPERS. (Insight X is not on *Fortune*’s list of winners and losers because it is not a pure buyout fund but invests from Series A to pre-IPO.)

Several funds on our list completed fundraising in 2022, meaning the firms were likely investing from these pools in the fateful year of 2021. Unsurprisingly, some of these 2022 funds are currently producing negative IRRs. Thoma Bravo’s fund XV, which [completed](#) fundraising at \$24.3 billion in 2022, is [posting](#) a negative 1.6% IRR and 0.99x investment multiple as of Sept. 30, according to the Minnesota State Board of Investment.

It's not uncommon for a young fund to produce a negative IRR during its early years of investment. Thoma Bravo XV is likely not all invested. "2022 is way too recent to judge ultimate performance," said one LP, who noted that "very, very few" mega-sized funds, meaning similar \$10 billion to \$20 billion-plus sized pools, achieve top-quartile performance. The investor said it was like the old adage that "nobody gets fired for investing in [IBM](#)." Many big LPs are under pressure to invest billions of dollars, the investor said. "The only place to deploy capital is in the mega funds and accept second or third quartile performance, which may still be better than other places to invest like public equity," they said.

For our list, PE firms are ranked by how much they invested in 2021. Thoma Bravo was the top PE acquirer of tech companies in 2021, with 25 announced deals valued at \$58.2 billion, according to Dealogic. TPG came in second with 22 deals, totaling \$28.3 billion. Hellman & Friedman placed third and so on. Many of the figures on the chart were rounded to provide coherence.



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CLASS OF 2021 TOP PE INVESTORS IN TECH

Fund name	Size	Year completed fundraising	Net IRR	Metrics	As of
THOMA BRAVO					
THOMA BRAVO XIII	\$12.6 BILLION	2019	27%	1.79X IM	9/30/23
THOMA BRAVO XIV	\$17.8 BILLION	2020	4%	1.09X IM	9/30/23
THOMA BRAVO XV	\$24.3 BILLION	2022	-2%	0.99X IM	9/30/23
TPG					
TPG VII	\$10.5 BILLION	2016	20%	1.9X NET MOM	12/31/23
TPG VIII	\$11.5 BILLION	2019	25%	1.5X NET MOM	12/31/23
TPG IX	\$12.0 BILLION	2023	39%	1X NET MOM	12/31/23
HELLMAN & FRIEDMAN					
HELLMAN & FRIEDMAN CAPITAL PARTNERS IX	\$16 BILLION	2018	14%	1.4X IM	9/30/23
HELLMAN & FRIEDMAN CAPITAL PARTNERS X	\$24.4 BILLION	2021	7%	1.1X IM	9/30/23
PERMIRA					
PERMIRA VI	€6.3 BILLION (\$6.8B)	2016	18%	2.06X TVPI	12/31/23
PERMIRA VII	€11 BILLION (\$12.2B)	2019	8%	1.2X TVPI	12/31/23
PERMIRA VIII	€16.7 BILLION (\$17.9B)	2023	8%	1.04X TVPI	12/31/23
ADVENT					
ADVENT GPE VIII	\$13 BILLION	2016	18%	2.07X IM	9/30/23
ADVENT GPE IX	\$17.5 BILLION	2019	20%	1.49X IM	9/30/23
BAIN CAPITAL					
BAIN CAPITAL FUND XII	\$9.4 BILLION	2017	16% SI IRR	1.20 PME (KAPLAN SCHOLAR)	3/30/23
BAIN CAPITAL FUND XIII	\$11.8 BILLION	2021	-3% SI IRR	0.99 PME (KAPLAN SCHOLAR)	3/30/23
BAIN TECH OPPORTUNITIES FUND I	\$1.3 BILLION	2020	19% SI IRR	1.38 PME (KAPLAN)	3/30/23
SILVER LAKE					
SILVER LAKE IV	\$10.3 BILLION	2013	22%	2.44 TVPI	9/30/23
SILVER LAKE V	\$15 BILLION	2017	14%	1.54X TVPI	9/30/23
SILVER LAKE VI	\$20 BILLION	2021	3%*	1.05X TOTAL VALUE MULTIPLE	9/30/23
VERITAS CAPITAL					
VERITAS CAPITAL FUND VII	\$6.5 BILLION	2019	17%	1.37X TOTAL VALUE MULTIPLE	6/30/23
VERITAS CAPITAL FUND VIII	\$10.65 BILLION	2022	NM	0.96X TOTAL VALUE MULTIPLE	6/30/23
KKR					
KKR AMERICAS XII FUND	\$13.9 BILLION	2017	21%	2.2X GROSS MOIC	9/30/23
KKR NORTH AMERICA FUND XIII	\$19 BILLION	2022	6%	1.1X GROSS MOIC	9/30/23
KKR NEXT GENERATION TECHNOLOGY GROWTH FUND II	\$2.2 BILLION	2020	19%	1.6X GROSS MOIC	9/30/23

* NET IRR IS EXPECTED TO RISE TO 11%-12% AS OF 12/31/23

Bad or Just Not Good?

Private equity is a relatively young industry with many of the founding firms launched in the 1980s. PE firms are dealmakers; they raise capital from outside investors, like pension funds, endowments and insurance companies, and invest that money in businesses. PE firms manage the companies on behalf of their investors and typically earn a share of the fund profits, called “the carry,” which is a big issue in private equity. PE firms have a deadline to sell their investments. Funds typically have a life cycle of 10 years with the option to extend. PE firms typically move to start selling their investments, by means of an M&A or an initial public offering, in the third to fifth year.

Mergers and IPOs have plunged since 2021. This means private equity hasn’t been able to exit many of their investments, so they’re not returning capital to their investors, or limited partners. The LPs aren’t getting their money back, so they don’t have the capital to allocate to new funds, making fundraising much more difficult. Some public PE firms, like [Blackstone](#) and [Carlyle Group](#), [reported](#) a double digit drop in distributable earnings, which refers to the amount of cash available to return to investors, last year. From 2000 to 2022 private equity distributions averaged around 24% of the prior year’s NAV, the net value of an investment fund’s assets, according to Ian Aaker, a partner at StepStone Group, an investment and advisory firm. This dropped to 10% in 2023, he said. “Distributions have slowed down. This is another component which impacts LPs ability to commit to new [funds],” Aaker said.

While distributable earnings were down from 2021 and 2022, they were still twice the levels reached each year from 2016 to 2020, a second private equity executive said. “2021 and 2022 were bubble years,” they said.

The current sluggish M&A market has obvious implications for funds that invested in 2021. While some are already predicting horrible results, including possibly negative IRRs, it’s too soon to say what the final impact will be. It should also be noted that some investors dislike IRRs as a metric since PE firms can use capital calls to artificially increase them. In any case, conversations with firms and investors made clear that most LPs are bracing for funds that invested in 2021 to underperform.

Not everyone, though, is pessimistic. One consultant to private equity pointed to the great financial crisis of 2007 to 2008 when PE firms faced a similar problem, which severely limited their ability to begin unloading their portfolio companies.

The solution was to extend the hold time for some transactions. For example, [KKR](#) used its 2006 flagship fund, which invested in many different companies, to [buy First Data](#) in 2007 for \$29 billion. Based on the typical PE timeline, it should've sold the investment in the early 2010s but KKR instead took First Data public in 2015. It didn't fully exit until finally [selling](#) the company to [Fiserv](#) in 2019. The KKR 2006 Fund produced a net IRR of 8.2% and 1.6x multiple as of June 30, according to CalPERS. (As of Sept 30, the 2006 Fund reported a net IRR of 9.3% and a gross multiple of invested capital of 2.2x as of Sept. 30, according to a [KKR 10Q](#) filed on Nov. 9.) Since 2011, KKR has used a linear deployment strategy, where it aims to spend 20% to 25% of each of its buyout funds each year. This includes the flagship Americas funds, as well as Europe and Asia PE funds. In 2020, KKR [invested](#) \$10 billion from its buyout funds in 2020, and the same amount in 2021, despite the fact that twice as many deals occurred.

Many of the Class of 2021 may be unlikely to match the KKR numbers. A longtime PE consultant told *Fortune* that they and others are taking the long view. "Now, no one's excited about generating a three or five percent IRR, but what I think [First Data] did prove is having a flexible capital structure, and the ability to live to fight another day, allowed the funds to still generate positive returns, even though it looked pretty bleak in the economy," the consultant said.

For now, investors are leery of investing at high valuations but that likely won't last, said Lead Edge's Green. In the next five to 10 years, he predicts another cycle where buyers, possibly a new group of investors or those who didn't learn their lesson from 2021, are excited to pay inflated prices. "It will happen again," Green said.

***Fortune's* report card for the class of 2021**

For this report, *Fortune* set out to determine how well the class of 2021 PE funds are faring, focusing on those that invested in tech. For context, it's worth noting that many of the biggest tech deals of that year came from strategies, including Dell Technologies' \$60.8 billion [spinoff](#) of [VMware](#), Oracle's \$28 billion [buy](#) of [Cerner](#) and [Microsoft](#) \$19 billion [acquisition](#) of Nuance Communications. At the same time, private equity was also very active in 2021. Bain Capital and Hellman & Friedman teamed up [to buy](#) athenahealth for \$17 billion, while a PE consortium, including Advent and Permira, [scooped up](#) [McAfee](#) for \$15.4 billion. Thoma Bravo also [bought](#) Proofpoint for \$12.3 billion.

Many of the funds included on our list are still early in their life cycle. For private equity, funds typically need six to eight years to mature and settle into their ultimate quartile ranking, while venture usually needs seven to nine years, according to Cambridge Associates research. "By year six, if a fund is in the first quartile it will stay a first quartile fund. It's unusual to see in year six a first quartile shift to bottom. In year six you start to see performance solidify," the LP said. Many of the funds on *Fortune's* list are early in their life cycle and expect returns to improve as the fund matures.

It's also worth noting that PE firms often have several different types of funds that invest in tech. [TPG](#) has a buyout fund that targets large deals, a growth fund for smaller transactions and other pools. Thoma Bravo uses its flagship PE fund for big transactions, but also has pools for middle market companies, named Discover, as well as Explore for lower middle market. (All three Thoma Bravo funds are control vehicles.) Most of the funds on *Fortune's* list are buyouts. Lastly, to

provide perspective, *Fortune* has provided data on an older fund for many of the firms. This shows that pools typically need years to showcase their returns.

Fortune's analysis of the funds reveals that nearly all who invested near or during the 2021 bubble aren't doing very well. Perhaps the winner of this time period may come from a firm that avoided large deals that year, namely Vista Equity Partners. The firm founded by Robert Smith is typically a very acquisitive dealmaker but was [busy](#) with other things in 2021, including dealing with the [departure](#) of Brian Sheth, a co-founder and former Vista president. Vista in 2021 made 53 announced acquisitions, valued at \$7.1 billion, according to Dealogic. Many of its deals that year were of smaller companies like Vista's \$400 million [buy](#) of Wandera and its [investment](#) in Olive AI. (Olive AI [shut down](#) in late 2023.) Vista, in 2022, announced 35 deals, less than in 2021, but these transactions were bigger, totaling \$33.5 billion. In 2021, the firm was investing Vista VII, which closed at \$16 billion in 2019. Fund VII is reporting a 1.28x total value multiple as of Sept. 30, according to the [New Jersey Division of Investment](#). (Vista is fundraising for its eighth pool, that is generating a 1x TVM.)

Thoma Bravo and Vista are frequent rivals in deals but Smith's travails in 2021 benefited Bravo, a second LP said. Bravo's 25 global tech deals were valued at \$58.2 billion, the most of any PE firms during the time period, which was not considered an ideal time to invest. "Vista was lucky not smart," the LP said.

In 2021, companies in nearly all sectors sold at inflated multiples but nowhere was that more obvious than in technology. Some of the firms on our list, like Silver Lake, are laser-focused on tech but the majority are private equity firms that target several strategies, like consumer, healthcare and industrial. Technology's high returns during the last decade lured in many different investors, including generalist buyout shops. Vista's Smith famously [complained](#) to the *FT* in 2017 about all the "PE tourists" flocking to software and predicted that he expected to see a "few more lose money in their software investments in years to come."

Our strategy for compiling the list was simple. Dealogic provided a list of private equity firms — not venture capital — that invested the most in tech in 2021. We took out the sovereign wealth funds as well as firms like CPP Investments that do not have a buyout fund. Dealogic's data focused on announced tech transactions in 2021, including U.S. and global mergers.

Private equity is a complicated industry that uses many different tools to evaluate, or obfuscate, their performance. When asked which tool is the best to judge a fund, a third LP said: "All of them." Here are some commonly used metrics:

- There's internal rate of return, or IRR and SI IRR (since inception IRR), which measures the cash-on-cash return of an investment. LPs typically seek IRRs of 20% or more.
- MOIC (multiple on invested capital), TVPI (total value to paid-in capital), investment multiple (IM), and MoM mean somewhat the same things. They measure the investment returns of a fund. A multiple of 1x means investors just got their money back. Generally, two or higher is considered good and three is excellent.
- Kaplan Schoars PME measures the investment success of a fund compared to the public markets. Basically, anything better than 1 is good and indicates the pool has outperformed the public markets.

Drawing on the above tools, here is *Fortune's* assessments of how the funds performed.

The Top 10 PE Firms that Invested in Tech in 2021

I. Thoma Bravo

Thoma Bravo's 25 global tech investments in 2021, totaling \$58.2 billion, made it the biggest private equity investor of that year. With Insight off our list, Bravo was the most active PE tech investor during the time period. Deals include its buys of Stamps.com (\$6.6 billion), Bottomline (\$2.6 billion), Talend (\$2.4 billion) and Medallia (\$6.4 billion). Thoma Bravo was also part of the [investor group](#) that sold McAfee for \$14 billion.

In 2021, Thoma Bravo was investing its fourteenth flagship, which [closed](#) on \$17.8 billion in October 2020. Thoma Bravo XIV has so far only produced one exit but it's a big one, *Fortune* has learned. In 2021, the firm [combined](#) its portfolio companies Calypso Technology and AxiomSL to create Adenza. Nasdaq [acquired](#) Adenza for \$10.5 billion last year. Adenza is a fund XIII and XIV holding, according to a [regulatory filing](#) of the sale. Another big exit for Bravo was the \$11 billion [sale](#) of Ellie Mae to [Intercontinental Exchange](#) in 2020. Ellie Mae, however, is a Fund XIII investment. Fund XIII, which is fully invested, is posting a net IRR of 27.4% and 1.79x investment multiple as of June 30, the [Minnesota State Board of Investment](#), or SBI, said.

Funds XIV and XV are younger, so their returns right now are more modest. Thoma Bravo XIV is in its fourth year of investment, generating a 4.10% net IRR and a 1.09x investment multiple as of Sept. 30, SBI said. Bravo's fifteenth fund, which [finished fundraising](#) in 2022 at \$24.3 billion, reported a negative 1.6% net IRR and a 0.99% investment multiple. Again, it's common for funds early in their life cycle to post negative returns. Returns for many funds are expected to rise due to the positive performance of the stock market in the fourth quarter. Many of the LPs, like the Minnesota State Board of Investment, have yet to include this recent data.

II. TPG

The clear winner, of the funds considered by *Fortune*, is TPG. The firm ranked second on our list in terms of deal value, with 22 global transactions in 2021, totaling \$28.3 billion. (In the U.S., it had 16 deals valued at \$26.3 billion.) Founded in 1992, TPG was known for years for its retail investments like J.Crew, Neiman Marcus and [Fender Musical Instruments](#). TPG, in the past decade, has gained a reputation for its healthcare and tech investing.

In 2021, TPG [invested](#) in the spinoff of video properties DirectTV, AT&T TV and U-Verse into a new company, of which the firm owns 30%. The buyout shop invested \$1.8 billion in the transaction, which came from its [TPG VIII fund](#), according to regulatory filings.

Other tech investments from TPG's PE fund include Nintex, [Boomi](#)., the \$1.4 billion buy of Thycotic, and Centrify. TPG also scored a big exit when it and [Intel sold](#) McAfee in 2021 to an investor group for \$14 billion. (For TPG, the investment in McAfee came from fund VII, according to [SEC filings](#).) In 2021, TPG invested \$10.6 billion equity from its capital platform, which makes large-scale, control-oriented private equity investments and reported \$15.8 billions in exits, according to its Q4 results [announced](#) on March 28, 2022. This means it returned 1.5x the capital it invested.

TPG is one of two public alternative asset managers to make our list. The firm also provided the most recent information that revealed its funds are performing well, even its 2022 pool. All three TPG funds on our list are posting solid net IRRs of 20% or more. This includes TPG IX, which raised \$12 billion last year, reported a 39% net IRR and a 1x net multiple of money, or MoM, as of Dec. 31, 2023, according to TPG's [fourth quarter results](#). This indicates that TPG fund IX has already returned money to investors.

III. Hellman & Friedman

Founded in 1984, H&F has invested in over 100 companies and had over \$92 billion in assets under management as of Sept. 30. The firm is still investing its 10th flagship, which [closed](#) on \$24.4 billion in 2021, and is currently raising its 11th flagship fund, according to an [SEC filing](#).

In 2021, H&F made five investments globally in tech, valued at about \$25.3 billion, according to Dealogic. This placed H&F third on our list. Investments include athenahealth, which the PE firm bought with investors including Bain Capital that year for \$17 billion. H&F spent \$4.25 billion to [acquire](#) energy software company Enverus and announced its [investment](#) in PointClickCare Technologies.

H&F's ninth fund is entering its sixth year of investment, making it fair game for our analysis. The pool is posting a 14% net IRR and 1.4x investment multiple as of Sept. 30, according to the firm. H&F's tenth flagship is a young pool that is going into its third year of investment. Fund X reported a 7% net IRR and 1.1x net IM, which is modest. The Minnesota State Board of Investment doesn't have any returns listed for H&F's eleventh fund, which is said to be targeting \$24 billion.

IV. Permira

Permira, of London, is a global private equity firm with about 80 billion euros in committed capital. Founded in 1985 as part of Schroders, Permira spun out of the firm six years later in 2001. The firm currently has funds in buyout, growth and credit.

Permira was active in 2021, and took part in 11 announced global tech transactions, valued at about \$25.3 billion. (Permira invested \$5 billion equity in technology deals in 2021, a person familiar with the situation said.) The firm ranked fourth on *Fortune's* list. It notched some big tech deals that year including the \$5.8 billion [acquisition](#) of Mimecast. It took part in the \$14 billion [buyout](#) of McAfee, while also investing in Motus, CommentSold, and [Adevinta](#).

In 2021, Permira was investing its seventh flagship, which raised 11 billion euros in 2019. The fund is going into its fifth year and posted a TVPI of 1.2x and an 8% IRR as of Dec. 31, *Fortune* has learned. Permira's older pool, Fund VI, collected 6.3 billion euros in 2016. It is generating an 18% IRR and 2.06x TVPI. Permira's eight flagship completed fundraising in March 2023 and is very young. The pool is producing an IRR of 8% and a TVPI of 1.04x, this means investors have already gotten their money back.

V. Advent International

Advent, which ranked fifth, is one of the older firms on our list. Launched in 1984, the PE firm has [invested](#) more than \$78 billion in 420 PE investments across 42 countries. It currently has \$91 billion in assets under management as of Sept. 30. Advent made 14 announced investments in tech globally in 2021, valued at \$20.8 billion. This included six U.S. deals, totaling \$17.3 billion. Advent's tech investments that year include Thredd, Encora, [Wiz](#), NielsenIQ, and planet. The firm placed fifth on *Fortune's* ranking of PE tech investors in 2021.

Advent is currently [investing](#) out of its 10th flagship, GPE X, which it closed at \$25 billion in May 2022. The firm didn't start investing GPE X until 2022, so our focus is on Advent's ninth flagship, which [raised](#) \$17.5 billion in 2019.

GPE IX, which is entering its fifth year, is generating a solid 20% net IRR and 1.49x investment multiple, according to the [Minnesota State Board of Investment](#). Advent's GPE VIII, which collected [\\$13 billion](#) in 2016, is going into its eighth year and is one of the older funds on our list. It's also one of the better performers. Advent GPE VIII is posting a 2.07x investment multiple and an 18% net IRR as of June 30.

VI. Bain Capital

Bain is one of the more well-known private equity firms that isn't public. In 2021, the PE firm took part in 15 announced tech deals globally, valued at about \$20.4 billion. This includes 8 U.S. transactions, totaling \$19.6 billion. The \$20.4 billion in deal value was enough to rank Bain sixth on our list. One of its biggest transactions was the \$17 billion buy of athenahealth, of which the firm was an investor. Bain used its private equity fund — it was investing its \$11.8 billion flagship (Fund XIII) at the time— and its tech opportunities fund, which raised \$1.3 billion in 2020, for athenahealth. Like many firms, Bain has different types of funds so it's difficult to discern which pools did which investment. Other announced

tech deals for Bain include Enito Group, [ExtraHop](#), [When I Work](#), [Bionexio](#) of Brazil, and [Atria](#). (When I Work, Bionexio and Atria are Bain Tech Opps transactions.)

Both Bain Fund XIII and Opportunities Fund I are young funds, and the data from the New Mexico Educational Retirement Board is nearly a year old so it's a bit stale. Fund XIII posted a 0.99 PME, just shy of 1, and an SI IRR of negative 3.32% as of March 31, according to the [New Mexico Educational Retirement Board](#). Some think it's still possible that Fund XIII can improve enough to jump into the top quartile. Bain's debut opportunities fund is producing a 1.38x PME and 19.29% SI IRR. As expected, older funds have more time to post better returns. Bain's fund from 2017, which raised \$9.4 billion, is generating decent returns of 1.20 PME and 15.76% SI IRR.

VII. Silver Lake

While Vista and Thoma Bravo invest mainly in software, Silver Lake focuses solely on tech. One of its more famous deals was its [buy of Dell](#) in 2013 for \$25 billion. (The PE firm used its third and fourth flagship funds to buy Dell, according to regulatory filings.) Dell then [bought](#) EMC for \$67 billion in 2015 (again a Silver Lake Fund III and IV transaction), and [spun off](#) VMware in late 2021. In 2018, Silver Lake V investors [purchased](#) \$1 billion of Dell stock from Fund III investors, making Dell a Fund IV and V transaction. A major exit occurred in November when [Broadcom bought](#) VMware for \$61 billion. These complicated set of transactions resulted in \$70 billion in combined gains for Silver Lake and Dell, the *Financial Times* [reported](#). This included \$14 billion in cash, which is just a portion of the total proceeds that Silver Lake and Dell received from the VMware investment. The transaction, which occurred in the fourth quarter, helped boost the returns of Silver Partners IV and V but isn't reflected in the data from [School Employees Retirement System of Ohio](#), or SERS, which is a Silver Lake investor. Fund IV, which raised \$10.3 billion in 2013, posted a 21.67% net IRR and a 2.44x net TVPI as of Sept. 30, according to SERS. The returns for Fund IV and Fund V are expected to be higher once the VMware sale is included in Silver Lake's Q4 data, *Fortune* has learned. Still, Silver Lake IV is one of the better performing funds on our list but it's also one of the more mature pools we are considering.

Silver Lake announced 18 global tech investments in 2021, valued at \$17.04 billion. This ranked it seventh on our list of tech PE investors that year. Most, or 13, of its deals were in the U.S., totaling \$16 billion, Dealogic said. In 2021, Silver Lake was investing largely out of its sixth flagship, which [raised](#) \$20 billion that year. (Its prior fund, Silver Lake V, [collected](#) \$15 billion in 2017.) For Silver Lake, Fund VI investments in 2021 include [Qualtrics](#), Fanatics and [Software AG](#). The PE firm scored another exit in December when IBM said it would [buy](#) Software AG's enterprise integration platforms for \$2.33 billion. (The deal hasn't closed but this means Silver Lake will have made back its investment.) The sale of Software AG is expected to increase the net IRR of Fund VI to the 11% to 12% range, *Fortune* has learned.

VIII. Veritas Capital

Coming in eighth place is Veritas, which invests in tech companies that serve government and commercial customers. Veritas made two announced tech deals in 2021, valued at \$17 billion, according to Dealogic. Veritas acquired Cubic for \$2.8

billion, using its seventh flagship to invest. Several portfolio companies also announced add-ons during the year. When it comes to exits, Veritas in 2021 sold its stake in athenahealth.

Veritas VII [raised](#) \$6.5 billion in 2019. The fund was [generating](#) a total value multiple of 1.37x and a 17.1% net IRR as of June 30, according to the [Oregon Public Employees Retirement System](#). The firm's most recent flagship, Veritas Capital Fund VIII, [collected](#) \$10.65 billion in 2022 and is still a young fund. Fund VIII is producing a total value multiple of 0.96x, meaning investors have nearly recouped all of their investment.

IX. Crosspoint Capital

Crosspoint is led by several executives from well-known tech companies like managing partners Greg Clark, Steve Luczo and Dr. Hugh Thompson. Clark is the former CEO of Blue Coat Systems, while Luczo is the ex-chairman and CEO of [Seagate Technology](#), and Thompson is the former CTO of Symantec. Crosspoint's debut fund [raised](#) \$1.3 billion in 2021. The firm, which invests in the cybersecurity, privacy and infrastructure software sectors, made four tech investments in 2021, valued at \$16.3 billion, according to Dealogic. Crosspoint was part of the investor group that acquired [McAfee](#) in 2021 for \$14 billion, while other investments include [ExtraHop](#), [ReversingLabs](#), and [DigiCert](#).

Fortune could not find investment returns for Crosspoint's first fund.

X. KKR

KKR, founded in 1976, is one of the founding private equity firms of the industry. Like many of the larger firms, KKR has moved beyond private equity and now invests in infrastructure, real estate, credit, capital markets and insurance. KKR had \$553 billion in assets under management as of Dec. 31.

KKR took part in 21 global tech transactions in 2021, valued at nearly \$15 billion. The firm, which ranked tenth on our list, has several different funds that scooped up tech deals that year. In 2021, KKR was [investing](#) from its \$13.9 billion America Fund XII. It also completed [fundraising](#) for its \$19 billion North America pool in April 2022 so was likely putting that fund to work in 2021 as well. (PE firms will often use more than one fund to invest.) KKR's Next Generation Tech Growth II pool, which [takes](#) majority or minority stakes, was also very active in 2021.

KKR fund XII produced a solid net IRR of 20.5% and a 2.2x gross multiple of invested capital. Fund XIII, which is going into its second year, is producing a more modest 6.2% IRR while its gross multiple of invested capital was 1.1x as of Sept. 30. KKR's next generation technology growth fund II posted a 18.8% net IRR and 1.6x gross multiple.

This story was updated on Feb 29 to reflect that Veritas was a seller, not an investor, in athenahealth.

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