



Update: The Case for Emerging Managers in Private Equity

Note: This article was first published in September 2019; it has been updated to reflect performance through June 30, 2020.

Within TIFF's private equity (PE) program, we constantly strive to assemble a roster of best-in-class managers combined with attractive co-investments and secondaries that, together, we believe have the potential to meet our long-term goal of generating at least 500 basis points of outperformance vs. public equities across market cycles. We have historically surpassed this goal, thanks in large part to our ongoing ability to identify, and willingness to place capital with, relatively new managers that we believe have the potential to become top-tier groups—firms we label “emerging fund managers.” Private equity firms have a definable life cycle. In our view, smart portfolio construction therefore includes taking the pulse of, and when appropriate, investing in high-potential, emerging fund managers in order to continually refresh our manager roster and make sure every dollar we invest has the potential to grow several times over. Of course, TIFF pursues emerging managers focusing on marketable equities as well, and you can read more about that effort in a companion article. In private equity, the long-term nature of the strategy means the benefits of finding a strong emerging manager can deliver rewards for a decade or more. A mistake will be with you for that long, as well.

This is an excerpt from a longer article. Please download the PDF to read more.

TIFF Investment Management



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