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Emerging Buyout GP's to Watch in 2025



Dakota's Emerging Buyout Managers to Watch in 2025

Dakota is excited to announce our *Emerging Buyout Managers to Watch in 2025*, curated by Dakota's Investment Research Team. This list represents the culmination of analysis, combining quantitative performance data with qualitative insights to provide a balanced view of a firm's investing and operating capabilities.

Dakota evaluated over 650 Private Equity Buyout firms, using funds from 2014 to 2022 as the foundation for quantitative metrics. Funds from 2023 or later were excluded due to the absence of comprehensive performance data.

This list recognizes Emerging Managers, which we define as younger firms on their 1st to 4th institutional fund, usually with a fund size of \$1 billion or smaller. Below is the criteria used to evaluate these managers:

Quantitative Criteria

Consistency: Consistency in performance is vital as it demonstrates the firm's ability to deliver returns across market cycles. Firms with stable track records reduce uncertainty for investors, enhancing their attractiveness as long-term partners.

Internal Rate of Return (IRR): IRR measures the efficiency of a firm's investments over time. A higher average IRR across funds indicates a strong ability to generate returns relative to capital deployed, making it a key indicator of performance quality.

Total Value to Paid-In Capital (TVPI): TVPI combines realized and unrealized value, offering a comprehensive view of the firm's total performance. It reflects both current gains and the potential upside in the portfolio, giving investors a forward-looking perspective.

Distributions to Paid-In Capital (DPI): DPI highlights how much cash has been returned to investors relative to their original investment. A high average DPI demonstrates the firm's ability to realize returns and provide liquidity, which is crucial for attracting future capital.

Assets Under Management (AUM) Growth: Measured AUM growth reflects a firm's ability to attract capital, which signals investor confidence, successful past performance, and stability. Growing AUM also indicates scalability, enabling the firm to pursue larger or more diverse investments.

Qualitative Criteria

Value Creation Process: A robust value creation process ensures that a private equity manager can actively enhance portfolio company performance beyond the initial acquisition. This capability demonstrates operational expertise and aligns with the manager’s ability to deliver sustainable growth, margin improvement, and increased profitability—key drivers of investor returns.

Investment Focus: A disciplined and targeted approach centered on a select set of opportunities, emphasizing specific industries and business types where the team’s domain expertise can be leveraged to deliver superior business outcomes.

Investment Strategy: A straightforward and repeatable strategy shows that the manager has a disciplined approach rooted in proven methods. This clarity reduces execution risk, builds investor confidence, and enables the manager to replicate success across multiple deals and economic cycles.

Team Background/Tenure: The depth of experience and tenure of a private equity team is a strong indicator of stability, expertise, and alignment with investor goals. Long-tenured teams often exhibit better collaboration and decision-making, leveraging their shared history and relationships to drive better investment outcomes.

Third-Party Recognition: Consideration for reputation within the marketplace, highlighting firms and teams recognized as entrepreneurial, innovative, and highly regarded by founders as collaborative and favorable partners.

Dakota’s Emerging Buyout Managers to Watch in 2025:

1	Renovus Capital Partners
2	Sole Source Capital
3	LFM Capital Partners
4	Northlane Capital Partners
5	Shorehill Private Equity
6	Saw Mill Capital
7	CenterOak Partners
8	Searchlight Capital Partners
9	Mill Point Capital
10	Peak Rock Capital

Managers In Focus

RENOVUS CAPITAL PARTNERS - Renovus Capital Partners is a private firm based in Philadelphia, founded in 2010. The firm specializes in lower middle-market companies within education, technology services, and healthcare services. Renovus targets businesses with \$3-\$15 million in EBITDA, focusing on scalable models and partnering with founder-led or family-owned companies. The firm drives value through organic growth, strategic add-on acquisitions, and a hands-on approach emphasizing operational improvements and service expansion. Co-founders Atif Gilani, Jesse Serventi, and Brad Whitman bring extensive experience from leadership roles at Leeds Equity Partners, The Carlyle Group, and Merrill Lynch, enabling Renovus to deliver sustainable growth and long-term success for its portfolio companies.

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SOLE SOURCE CAPITAL - Sole Source Capital, founded in 2016 by David Fredston and based in Dallas, Texas, is a private equity firm specializing in industrial growth investments in manufacturing, distribution, and industrial services. Sole Source targets businesses with \$5-\$30 million in EBITDA and high-growth potential. The firm's value creation process focuses on strategic add-on acquisitions, organic growth, and enhancing productivity through data-driven operational improvements, cost efficiencies, and technology integration. Led by David Fredston, who brings extensive experience from The Gores Group and Goldman Sachs, and supported by a team of seasoned professionals, Sole Source collaborates closely with management teams to optimize performance and deliver long-term value.

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Lee Fish USA

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