This dissertation contributes to our understanding of the role of Limited Partner (LP) composition in private equity and venture capital fund performance. It consists of two essays.

In the first essay, I establish causal evidence for the contribution of LPs within a private equity fund to fund performance. The evidence reconciles the performance persistence puzzle in private equity with the persistence in LP composition across funds. An unexpected increase in the number of LPs due to the JOBS act serves as a natural experiment. A fuzzy regression discontinuity design relies on the GP's imprecise control over a fund's final close date relative to the JOBS act's effective date. Fewer and more liquid LPs exhibit positive effects on fund performance. The liquidity of LPs influences GP's effort and choice of portfolio companies.

In the second essay (combines second and third chapters), I document a causal channel between LP composition persistence and GP performance. The paper documents significant persistence in the number, liquidity, and identities of LPs across GP-sponsored funds. Using LP stake transfers as a source of exogenous disruption in the persistence of LPs at the GP level, the paper estimates an annual decline in GP performance of 1.7% for buyout funds relative to 2.6% for venture capital funds. The results point to an important role for synergy among LPs for GP performance persistence, particularly among venture capital funds. This finding reconciles the decrease in GP performance persistence with the boom of the secondary market.