Scientific Infra & Private Assets
An EDHEC Venture

COMPANY PRESENTATION

March 2024

Quantitative Research + Private Markets
London | Singapore

PRIVATE MARKETS 2.0

Quantitative research has benefitted investors in capital markets for decades, from hedge funds to smart beta.

This time has come for private markets.

Scientific Infra & Private Assets is **a data & analytics provider for sophisticated investors in private markets** who want to know the market value and the risks of private investments.

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WE ARE QUANTS

At the crossroad of academia and industry, we are a quantitative team with a focus on **private asset pricing and market dynamics.**

We create model-driven products and solutions with practical applications for investors in need of better data so they can decide how to deploy capital in private equity and infrastructure markets while **managing risk and benchmarking performance.**

WE ARE DIFFERENT

We are **not a repository of contributed information** provided by a limited sample of market participants.

Instead, we collect data directly from private firms and markets and use advanced financial modelling, statistics and machine learning to produce **scientific results fit to make investment decisions**.

We do so **transparently**, using models that are fully documented.

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WHY QUANT RESEARCH?

In 2024, **private asset investing represents trillions of dollars** of allocations and requires representative and robust market data to measure value and risk.

But private markets themselves generate little raw data, and most of it is not public. **Quantitative research, including machine learning techniques, is the way for private market investors** to access the information they need.

WHY QUANT RESEARCH?

The absence of high frequency transaction data in private markets means that **almost every reported value is based on a model**.

The **actual choice for investors in private assets** is not between taking a quantitative approach or not.

The choice they face is **between using good data and quantitative methods or bad ones.** The difference is a matter of fiduciary duty.

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VALUE PROPOSITION

Private markets provide investors with information through transaction prices that are **always noisy and biased.**

Using advanced, scientific models and the best data available, quantitative research can de-noise and correct biases in the data to provide investors with **access to robust and representative market information.**

VALUE PROPOSITION

With our technology and unique access to private market information, we produce data that serves as a *starting point* in private investing.

1. Asset Valuation: we offer robust, representative and customisable data to **anchor private asset valuations to market conditions**.

2. Market Dynamics: we offer a suite of **private market indices and customisable benchmarks** to track market levels and risk.

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WHAT IS THE ANCHORING OF PRIVATE ASSET VALUATIONS?

The market value of (private) assets is determined by a combination of market (systematic) and asset-specific (idiosyncratic) factors.

Anchoring consists of creating a *customised (risk-adjusted) starting point* for the valuation of the asset that captures its exposure to private market risk at the time of valuation, thanks to an explicit model of market risk.

Once an asset value is **anchored to private market conditions**, it can be adjusted to capture idiosyncratic factors.

WHAT IS AN INDEX OF PRIVATE MARKET DYNAMICS?

The fair market value of private assets changes continuously with supply and demand and the state of the economy, but these **dynamics are not captured by the traditional financial appraisals** of private assets.

An index of private market dynamics uses a robust asset pricing model to produce thousands of shadow prices at each point in time and compute a return index of these prices. **Because the model is robust* the average value is accurate, and the index captures the dynamics of the asset class.**

*The average predicted price in each segment is the very close to the average observed price.

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OUR PRODUCTS

privateMetrics®

Asset-level private equity investment metrics across 100+ markets, by activity, customer model, revenue model, lifecycle and value chain with the PECCS® classification

Private Asset Valuation

- 1.3M assets tracked
- 50M prices computed
- EV/Ebitda, Price to Sales
- Revenue growth metrics
- Net Income-to-Sales
- Payout ratios
- Risk factor exposures...

Comps available for 1,000$^+$ segments
Monthly updated
Comps Builder in Excel, Python, R
40$^+$ valuation inputs available

Market Indices & Benchmarks

- 5,000-asset index universe
- Private2000 index
- Private3000 index
- privateUSA Equity index
- privateEurope Equity index
- privateAsia Equity index

65 other thematic indices
10 years of track record
1,000$^+$ PECCS ^{TM} segment indices
40$^+$ index analytics included

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OUR PRODUCTS

infraMetrics®

Asset-level private infrastructure investment metrics across 20+ markets by sector, business risk and corporate structure peer groups, with the TICCS® classification.

Infrastructure Asset Valuation

Income Method Anchoring
- Cost of capital and risk premia
- Cash flow benchmarks

Market Method Anchoring
- EV/Ebitda, Price to Sales
- Yields and duration
- Credit spreads...

Customizable comps: 400+ segments
Monthly updated
Comps Builder in Excel, Python, R
40+ valuation metrics available

Market Indices & Benchmarks

- 9,200+ assets identified
- 800+ assets tracked
- Infra300® equity and debt indices
- Infra100® index series
- infraGreen index family
- Infra Core and Core+ indices
- Infra mid-market index

23 ESMA-registered indices
650+ TICCS ® segment indices
20 years of track record
60+ index analytics included

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OUR CLIENTS

Trusted by sophisticated investors around the world since 2019

USD20Tr
Client AUM

USD1Tr
Client Private Equity AUM

USD470bn
Client Infrastructure AUM

ASSET MANAGERS

Fund managers use our data to launch new products, for deal due diligence, performance benchmarking and valuation.

ASSET OWNERS

Pension funds and insurers use our data to manage risk and allocations, select managers and review valuations.

CONSULTANTS

Consultants and OCIOs use our data to document strategies, select managers and track private market trends.

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Client AUM

USD1Tr
Client Private Equity AUM

USD470bn
Client Infrastructure AUM

Goldman Sachs · AIMCo · BLACKROCK · PGIM · ADIA · ARES

CREDIT SUISSE · Allianz Global Investors · StepStone · DWS · CBRE Investment Management

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OUR RESEARCH

50+

Research Publications
Since 2016

$20M

Research Budget
Since 2016

Recent Publications

Achieving Diversification in Unlisted Infrastructure Investment, Blanc-Brude, Farid, & Gupta, Mar 2024 [link]

The Valuation of Private Companies, Selvan & Whittaker, Jan 2024 [link]

An Infrastructure Investment Primer, Amenc & Blanc-Brude, Gupta & Whittaker, JPM, Sep 2022 [link]

Find out more at scientificinfra.com

PORTFOLIO MANAGEMENT RESEARCH
By With Intelligence

the journal of PORTFOLIO management

INVESTING IN PRIVATE MARKETS

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An Infrastructure Investment Primer:
From Valuation to Allocation and Manager Selection

Noël Amenc, Frédéric Blanc-Brude, Abhishek Gupta, and Tim Whittaker

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ABOUT US

Scientific Infra & Private Assets Ltd emanated from the research developed at the EDHEC Business School [link] and has been an index and data provider since 2019, serving numerous prestigious clients representing hundreds of billions of dollars of private equity and infrastructure assets under management.

We offer a solution to the main data challenge investors face in private markets: an endemic lack of risk and performance data restricting best practices and obfuscating investment decisions.

Data and Index Provider

Since 2019

Clients AUM

USD470bn

Global Team

40+ employees

Scientific DNA

An EDHEC Venture

Aligned with Global Standards

BMR, IFRS, IOSCO, TICCS, PECCS, TCFD

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TEAM

R&D TEAM

10 researchers

DATA TEAM

11 analysts and data scientists

PROD TEAM

9 engineers and developers

BUSINESS TEAM

12 commercial and client service staff

40+

Number of staff on the team
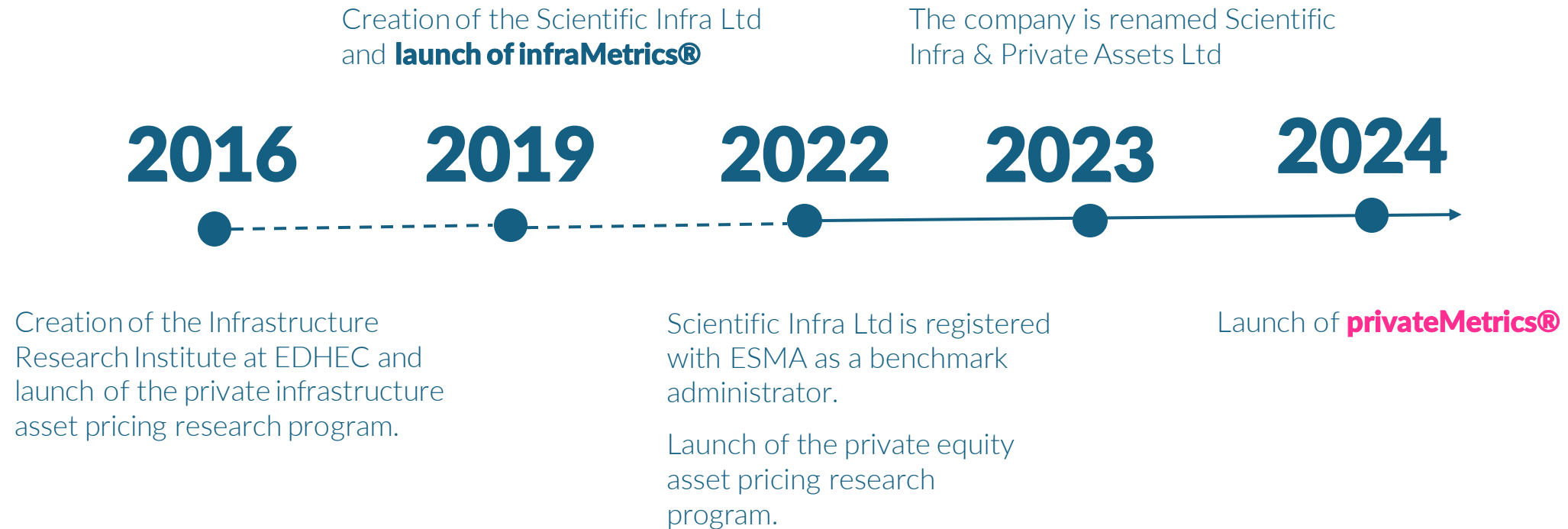
10

PhDs in finance, physics and engineering

25

Advisory Board members

2

Office locations in Singapore and London

CONTACT US

Start Your Private Asset 2.0 Journey Today

email: sales@scientificinfra.com
web: www.scientificinfra.com

London Office

10 Fleet Place,
London EC4M 7RB
United Kingdom
+44 (0)207 332 5600

Singapore Office

One George Street
#15-02
Singapore 049145
+65 66538575

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