



IHS Markit Industry Expertise

Aerospace, Defense & Security

Automotive

Chemical

Economics and Country Risk

Energy

Engineering and
product design

Maritime

Technology, Media & Telecom

Private Asset Valuations

Independent, objective valuation and reporting services for private equity managers and investors

IHS Markit provides valuations for illiquid debt and unlisted equities, as well as assurance reports, credit risk assessments, AIFMD external valuer and risk and performance reporting services for alternative asset market participants.

Increasing business and regulatory pressure is driving managers and investors in illiquid debt and unlisted equity to review their valuation and control environments. Firms are now turning to third parties to outsource valuations, using independent valuations to review in-house marks or improving the coverage and effectiveness of their valuation controls.

Our valuation reports list inputs, assumptions and calculations, providing support for post trade financial reporting. Objective valuations and transparent valuation documentation can help reduce review times and simplify annual audit processes. Investors can also gain insights into investment opportunities and improve asset allocation processes.

IHS Markit's risk and performance reporting includes managing the data collection and cleansing process and delivery of reports. Risk-adjusted performance reporting can highlight holdings which are over or under target and should be reviewed. We work with customers to agree the form of the reports and the production delivery schedule.

Consistent

Standardized valuations and reports to enable comparisons over time and between firms to support investment decision making and reporting.

Efficient

Automated processes to streamline data gathering and the distribution of results, reducing the need to manage complex information flows.

Cost effective

Enables valuations to be calculated on a regular basis using consistent assumptions to reduce need for time-consuming reconciliation processes.

Transparent

Valuation and reporting methodologies, models and key inputs reviewed with customers and made available to support customer audit reviews.

Flexible

Customizable reporting frequency, including monthly, quarterly and year-end, and the ability to process ad hoc valuation requests.

Independent

IHS Markit is not involved in the structuring, sale, trading or management of private equity investments.

We provide a range of services for private equity managers and investors:

	Managers	Direct investors	Indirect investors
<p>Illiquid Debt</p> <p>Using a hierarchy of valuation techniques, we can provide illiquid debt and mezzanine finance valuations. We use comparable issue data drawn from our bond and loan datasets and perform a fundamental analysis of issuer risk to select an appropriate sector curve. Customer data is used to construct a list of probability weighted cashflows.</p> <p>For more complex investments, we may require additional data from the customer or a third party in order to provide a valuation, such as loan recovery rates and asset residual value.</p>	✓	✓	
<p>Unlisted Equity</p> <p>We provide objective unlisted company valuations using a comparables approach and a database of public company data. Our objective methodology is based on public peer company data and adjusted based on points of difference between the portfolio company and the peer group. Income attribution reports, which allocate enterprise value across the company's capital structure or between SPVs in the investment hierarchy, are also available.</p> <p>We can provide valuations for early (venture) growth and buyout stage companies. We offer global coverage and can provide valuations across market sectors.</p> <p>Using our unlisted equity valuation service and OTC valuation capabilities, we can prepare employee stock option valuations for unlisted companies.</p>	✓	✓	
<p>AIFMD external valuer</p> <p>We can act as an independent third party or as an AIFMD external valuer where we execute an agreed valuation policy and deliver valuation results directly to the fund NAV calculation process.</p>	✓		
<p>Review services</p> <p>We can perform negative assurance reviews of individual valuations (unlisted equity or illiquid debt) or of whole portfolios. Portfolio reviews can be performed on all holdings within the portfolio or based on a sample.</p> <p>Methodology reviews can be performed to assess valuation processes against industry standards, such as the International Private Equity and Venture Capital Board's (IPEV) valuation guidelines, or against our in-house methodologies.</p>	✓	✓	✓
<p>Risk and performance reporting</p> <p>We can provide risk and performance reporting, which shows relative returns and risk adjusted returns with comparisons against a peer composite return and a market cap index. The reports enable managers and investors to monitor investment performance and quickly identify outliers for review.</p>	✓	✓	✓

More information on IHS Markit products and services

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