



## Private Equity, Credit & Illiquid Debt Valuation Services

**Independent, objective valuation & reporting services for managers and investors**

### KEY STATS

**5,600+**

illiquid debt / unlisted equity valuations per quarter

**80,000+**

evaluated bonds priced daily

**6,400+**

loan facilities priced daily

**30,000 +**

public companies priced daily

**14,000 +**

collateralized loan obligations priced daily

**1m+**

ABS priced daily

**1m+**

municipal prices daily

IHS Markit provides a range of valuation services for alternative asset participants, specifically for hard to value, Level 3 investments. Our subscription based services include ongoing independent valuation reports, assurance reports, credit risk assessments, performance reporting and AIMFD external valuer reports.

Increasingly complex investment structures combined with regulatory pressure and investor requirements are driving illiquid debt and private equity investors to enhance their valuation policies, procedures and control environments. We work with investment managers to help them find the best solution for their needs, whether they seek to outsource their ongoing valuations, obtain an independent assurance that their internal valuations are reasonable, or improve coverage and effectiveness of their valuation controls.

Designed to ease our clients' review and simplify the valuation portion of the annual audit, our valuation services include independent and transparent valuation and credit risk assessment reports which detail the inputs, assumptions and methods used to derive the valuation in a concise manner.

Our performance reporting highlights holdings which are over or under target for further review, and are fully customizable.

### Consistent

Standardized valuations and reports enable relative and absolute comparisons over time to support investment decisions and reporting.

### Transparent

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

### Efficient

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

### Flexible

Customizable reporting frequency, including monthly, quarterly and annual, with usage based subscriptions allowing for the ability to process ad hoc valuation requests.

### Cost Effective

Enables valuations to be calculated regularly using consistent assumptions to reduce the need for a time consuming reconciliation processes.

### Independent

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

We provide a range of services for participants in the alternative investment market that adhere to the Fair Valuation Standards as defined in US GAAP, IFRS and IPEV Guidelines. We have global coverage and can provide valuations across all market sectors.

### Illiquid Debt:

Using a hierarchy of valuation techniques, we provide illiquid debt valuations for investments throughout the capital structure. We conduct a coverage analysis to determine whether the debt is impaired. If the debt is covered, we use a DCF income approach to value the debt instrument. If the investment is impaired, other methods are considered such as an enterprise valuation waterfall method or asset liquidation analysis to estimate fair value and allocate it along the priority of claims.

### Private Equity:

We provide objective valuations of private corporations using a comparables approach from a database of public companies. We also provide income attribution reports, that allocate enterprise value across the company's capital structure or among SPVs in the investment hierarchy. We provide valuations for venture, growth and buyout stage companies, going-concern valuations and restructured equity with preference shares, convertible shares, common shares and equity options. Using IHS Markit's OTC valuations, we also prepare employee stock option valuations.

### Equity Option Pricing:

We value equity options using the Black-Scholes model to estimate the price variance of financial instruments over time in determining the price of an option. Other option models are considered, when appropriate.

### Credit Risk Assessments:

We provide Basel III-compliant credit scores for unrated debt instruments and issuers derived from quantitative and qualitative techniques. An internal rating is used to meet capital requirements and to categorize exposure into broad, qualitatively differentiated layers of risk.

### Assurance Reviews:

We perform positive or negative assurance reviews for valuations performed in-house by our clients. Methodology reviews can be performed to assess valuation processes against industry standards.

### Risk and Performance Reporting:

Fund and portfolio performance reporting shows relative, absolute and risk-adjusted returns with peer composite return and market-cap comparisons. These reports enable managers and investors to monitor investment performance and quickly identify outliers for review.

### CLO Risk Retention:

Utilizing our extensive CLO pricing data, including Cashflow models and market assumptions, we perform NAV calculations to provide a CLO equity valuation or assurance report for clients seeking to confirm CLO equity fair value at issuance to meet the regulatory risk retention requirements.

### Credit Portfolio Valuations:

We leverage our Securitized Products platform's standard market assumptions to risk adjust private credit portfolio cash flows under various assumptions to determine fair value for loan portfolios.

## More information on IHS Markit products and services

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