Company

Aspequity, Inc. is dedicated to helping customers with the complex challenges of investing in private assets. We provide powerful analytics to our global client base of LPs, GPs, data providers, and investment advisors. By combining in-depth industry experience with data science, quantitative and fundamental investment analysis expertise, our team enhances our customers' decision-making, investor communications, asset allocation, fund manager selection and business development. Our products and services cover different asset classes like private equity, venture capital, real estate, and infrastructure and enable clients to perform detailed analysis of their investments and make efficient decisions about their holdings.

Locations

Our headquarters are in the Boston area, USA and currently we have offices both in North America and Europe.

Private Equity Challenges

With the growing allocation to private equity in recent years it becomes critical to find ways to reliably project PE cash flows and value. However, this is challenging due to the structure and illiquidity of the asset class, the scarcity of publicly available information, and the high degree of uncertainty about the size and timing of both contributions and distributions. Moreover, the shift in global trends led to an increasing importance placed on fair value by international accounting bodies and national regulators which require a fundamental change in the valuation approaches to private assets.

The cornerstone issue of fair value in illiquid markets is that it is ultimately based on judgement, which gives rise to a potentially biased view of PE interests. To minimize this problem, the valuation analysis must be performed by independent professionals using industry best standards consistently through their practice. In-house NAV values are often a useful guidance to value, but ultimately the independence of the party performing the analysis assures the objectivity of the outcome. Consistent standards across the universe of assets allows for the decision making process to compare and contrast, invest, reject, or divest with good basis.

Our Solutions

We offer proprietary models for forecasting of private equity cash flows and fair value. Our models offer a robust approach that addresses the perspectives of a vast majority of investors in private equity partnerships. They incorporate the volatility of the underlying investments to give a more informed investment projected performance picture, reflecting the inherent uncertainty of investment cash flows and the risk aversion of investors. Our models are risk-aware, independent from fund managers, compliant with IPEV and AICPA guidelines, and suitable as a comparative methodology for bench-marking across periods and funds. They do not compromise on granularity, attention to detail, methodology rigor, integrity of the valuation process and are applicable to traditional private equity deals, and funds, as well as hybrid structures.
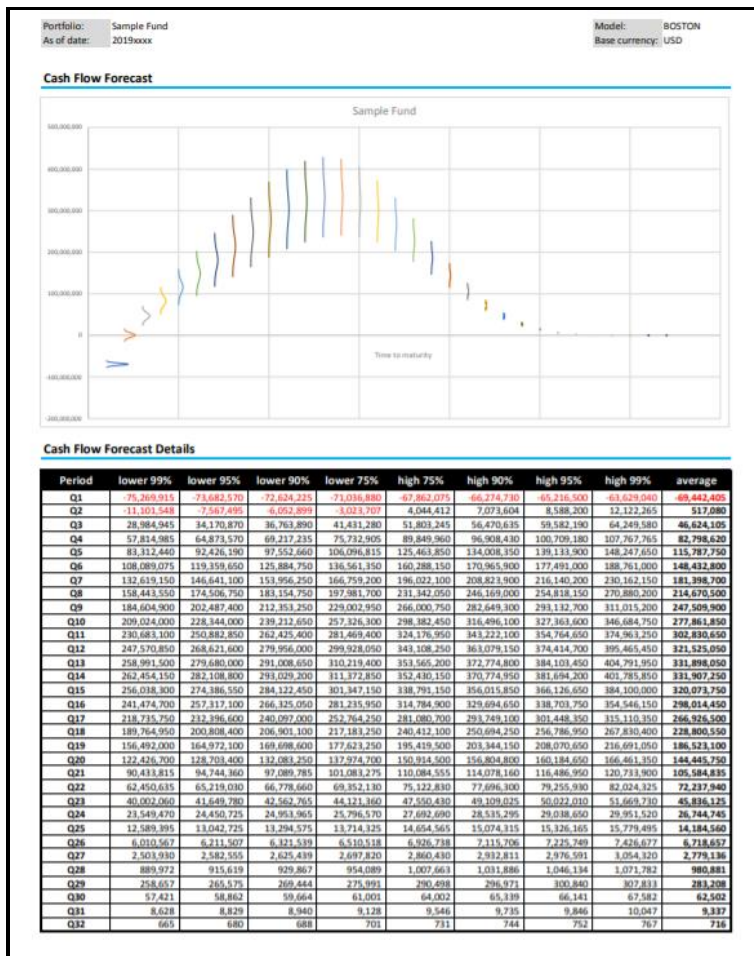
BOSTON Model

BOSTON (Bow-Speed Time-Option Normalized) - a proprietary model for forecasting of PE cash flows.

Main features:

- Founded on sound economic principles and broad empirical support.
- Combines the intuition of the Takahashi-Alexander model (2002) with our own research insights, resulting in a robust approach that addresses the needs of the vast majority of investors in private equity partnerships.
- Incorporates the volatility of the underlying investments to give a more informed investment performance picture, reflecting the inherent uncertainty of investment cash flows.
- Provides LPs with a measure of the magnitude of potential cash flow shortages in relation to future liabilities (redemptions, pension outlays, capital expenditure, unfunded commitments).
- Allows GPs to predict the amount and variation of future distributions to optimize capital call schedules and deal flow, as well as efficiently plan the capital resources.

Sample report

| Portfolio: | Sample Fund | | | | Model: | BOSTON | | |
| As of date: | 2019xxxx | | | | Base currency: | USD | | |

Cash Flow Forecast

Sample Fund

Cash Flow Forecast Details

Period	lower 99%	lower 95%	lower 90%	lower 75%	high 75%	high 90%	high 95%	high 99%	average
Q1	-75,269,915	-73,682,570	-72,624,225	-71,036,880	-67,862,075	-66,274,730	-65,216,500	-63,629,040	-69,442,405
Q2	-11,101,548	-7,567,495	-6,052,899	-3,023,707	4,044,412	7,073,604	8,588,200	12,122,265	517,080
Q3	28,984,945	34,170,870	36,763,890	41,431,280	51,803,245	56,470,635	59,582,190	64,249,580	46,624,105
Q4	57,814,985	64,873,570	69,217,235	75,732,905	89,849,960	96,908,430	100,709,180	107,767,765	82,798,620
Q5	83,312,440	92,426,190	97,552,660	106,096,815	125,463,850	134,008,350	139,133,900	148,247,650	115,787,750
Q6	108,089,075	119,359,650	125,884,750	136,561,350	160,288,150	170,965,900	177,491,000	188,761,000	148,432,800
Q7	132,619,150	146,641,100	153,956,250	166,759,200	196,022,100	208,823,900	216,140,200	230,162,150	181,398,700
Q8	158,443,550	174,506,750	183,154,750	197,981,700	231,342,050	246,169,000	254,818,150	270,880,200	214,670,500
Q9	184,604,900	202,487,400	212,353,250	229,002,950	266,000,750	282,649,300	293,132,700	311,015,200	247,509,900
Q10	209,024,000	228,344,000	239,212,650	257,326,300	298,382,450	316,496,100	327,363,600	346,684,750	277,861,850
Q11	230,683,100	250,882,850	262,425,400	281,469,400	324,176,950	343,222,100	354,764,650	374,963,250	302,830,650
Q12	247,570,850	268,621,600	279,956,000	299,928,050	343,108,250	363,079,150	374,414,700	395,465,450	321,525,050
Q13	258,991,500	279,680,000	291,008,650	310,219,400	353,565,200	372,774,800	384,103,450	404,791,950	331,898,050
Q14	262,454,150	282,108,800	293,029,200	311,372,850	352,430,150	370,774,950	381,694,200	401,785,850	331,907,250
Q15	256,038,300	274,386,550	284,122,450	301,347,150	338,791,150	356,015,850	366,126,650	384,100,000	320,073,750
Q16	241,474,700	257,317,100	266,325,050	281,235,950	314,784,900	329,694,650	338,703,750	354,546,150	298,014,450
Q17	218,735,750	232,396,600	240,097,000	252,764,250	281,080,700	293,749,100	301,448,350	315,110,350	266,926,500
Q18	189,764,950	200,808,400	206,901,100	217,183,250	240,412,100	250,694,250	256,786,950	267,830,400	228,800,550
Q19	156,492,000	164,972,100	169,698,600	177,623,250	195,419,500	203,344,150	208,070,650	216,691,050	186,523,100
Q20	122,426,700	128,703,400	132,083,250	137,974,700	150,914,500	156,804,800	160,184,650	166,461,350	144,445,750
Q21	90,433,815	94,744,360	97,089,785	101,083,275	110,084,555	114,078,160	116,486,950	120,733,900	105,584,835
Q22	62,450,635	65,219,030	66,778,660	69,352,130	75,122,830	77,696,300	79,255,930	82,024,325	72,237,940
Q23	40,002,060	41,649,780	42,562,765	44,121,360	47,550,430	49,109,025	50,022,010	51,669,730	45,836,125
Q24	23,549,470	24,450,725	24,953,965	25,796,570	27,692,690	28,535,295	29,038,650	29,951,520	26,744,745
Q25	12,589,395	13,042,725	13,294,575	13,714,325	14,654,565	15,074,315	15,326,165	15,779,495	14,184,560
Q26	6,010,567	6,211,507	6,321,539	6,510,518	6,926,738	7,115,706	7,225,749	7,426,677	6,718,657
Q27	2,503,930	2,582,555	2,625,439	2,697,820	2,860,430	2,932,811	2,976,591	3,054,320	2,779,136
Q28	889,972	915,619	929,867	954,089	1,007,663	1,031,886	1,046,134	1,071,782	980,881
Q29	258,657	265,575	269,444	275,991	290,498	296,971	300,840	307,833	283,208
Q30	57,421	58,862	59,664	61,001	64,002	65,339	66,141	67,582	62,502
Q31	8,628	8,829	8,940	9,128	9,546	9,735	9,846	10,047	9,337
Q32	665	680	688	701	731	744	752	767	716

EXPLO Model

EXPLO (Expected Profit Loss) - a proprietary private equity valuation model.

Main features:

- Independent valuation not derived from GP appraisals.
- Available at each point in time and thus suitable as a comparable methodology for bench-marking across periods and funds.
- Compliant with IPEV and AICPA guidelines.
- Risk aware methodology.
- Based on the most advanced research and techniques in the industry that do not compromise on granularity, attention to detail, methodology rigor, and integrity of the valuation process.
- Applicable to traditional private equity deals and funds, as well as hybrid structures that incorporate embedded options and contingencies.

Sample report

Portfolio: Sample Fund
As of date: 2019xxxx
Model: EXPLO
Base currency: USD

Forecasted Residual Value

Projected DPI, RVPI, and TVPI

Valuation Forecast Details

Period	Residual Value	DPI	RVPI	TVPI
Q1	1,499,991,000	0.1643	1.0940	1.2583
Q2	1,468,740,555	0.1968	1.0712	1.2680
Q3	1,428,813,475	0.2375	1.0421	1.2796
Q4	1,380,223,100	0.2873	1.0067	1.2940
Q5	1,322,405,700	0.3468	0.9645	1.3113
Q6	1,255,058,250	0.4161	0.9154	1.3315
Q7	1,178,370,500	0.4949	0.8594	1.3543
Q8	1,093,122,150	0.5823	0.7973	1.3795
Q9	1,000,445,950	0.6771	0.7297	1.4067
Q10	901,827,700	0.7773	0.6577	1.4351
Q11	799,361,550	0.8803	0.5830	1.4633
Q12	695,781,050	0.9834	0.5075	1.4909
Q13	593,605,850	1.0838	0.4329	1.5168
Q14	495,439,550	1.1785	0.3613	1.5398
Q15	403,875,400	1.2646	0.2946	1.5592
Q16	321,287,000	1.3402	0.2343	1.5746
Q17	249,147,500	1.4041	0.1817	1.5858
Q18	188,243,500	1.4558	0.1373	1.5931
Q19	138,747,500	1.4955	0.1012	1.5967
Q20	100,107,500	1.5245	0.0730	1.5975
Q21	71,093,000	1.5445	0.0519	1.5963
Q22	50,071,000	1.5574	0.0365	1.5939
Q23	35,362,500	1.5651	0.0258	1.5909
Q24	25,277,000	1.5694	0.0184	1.5878
Q25	18,411,500	1.5715	0.0134	1.5849
Q26	13,616,000	1.5724	0.0099	1.5824
Q27	10,143,000	1.5728	0.0074	1.5802
Q28	7,463,500	1.5729	0.0054	1.5784
Q29	5,324,500	1.5730	0.0039	1.5768
Q30	3,565,000	1.5730	0.0026	1.5756
Q31	2,116,000	1.5730	0.0015	1.5745
Q32	931,500	1.5730	0.0007	1.5736