

## **Private Market Alpha**

Private Market Alpha is a financial investment analysis and stock research tool. Private Market Alpha has built a software engine that allows Venture Capital and Private Equity Fund performance to be compared to public market benchmarks. This engine can calculate the Alpha that a Private Market Fund generates, and this financial analysis and research service allows direct comparison to any appropriate public market benchmark.

- Private Market Alpha (PMA) presents a Private Market Fund's investment performance so that public market comparisons can be properly made.
- For the first time, performance can be analyzed by industry sector using generally accepted metrics.
- This opens many possibilities to allow private company investments to play a larger role in an investor's portfolio.

Private Market portfolios:

- Can now be analyzed so that sector specific industry alpha performance is benchmarked and graphed.
- Industry sector performance can be compared for public and private portfolios.

This leads to better investment decisions and improved portfolio construction:

- Can calculate how much performance came from the industry sector and how much performance came from the company selection. Fund Managers can use this metric to improve future returns.
- The PMA engine produces a graph that provides the time series performance to show when and how much...and can be used to properly compare performance to other public benchmarks.
- Portfolio Managers can back test performance to determine how a Private Market Fund would have affected your portfolio's historical performance.

Private Market investors and investments have grown significantly in the past several years. The traditional measurements of Internal Rate of Return (IRR), Money on Money (MoM) and Private Market Equivalent (PME) can be calculated independently but do not align with the methodology used for public market measurements. As private market investments continue absorption into public market investments, new performance metrics are required that allow proper comparisons so optimal portfolios can be constructed. Private Market Alpha is that metric.

A case study is on the next page. Additional information is available. We look forward to working with you.

<https://privatemarketalpha.com/>

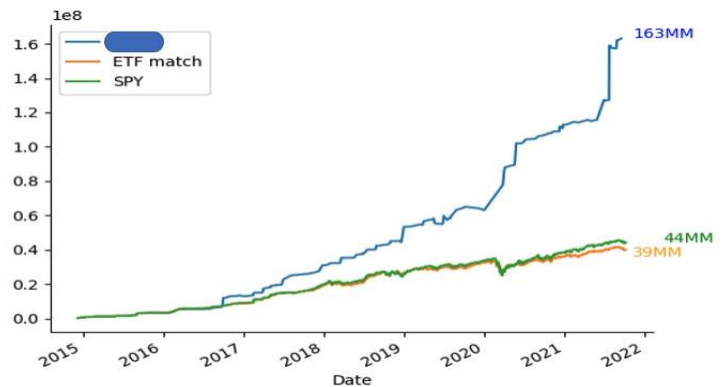
## Private Market Alpha – Case Study

This example is from an early-stage Venture Capital Fund who asked for Private Market Alpha (PMA) to measure the performance of 93 companies that they invested into between December 2014 through September 2021. The 93 companies (which counted as 94 due to mergers) were segmented into four industry sectors (based upon SPDR classifications).

Sector	SPDR	# companies	Cash in (MM)	multiple (on invested)		Alpha		
				TVPI	DPI	Sector	Idiosyncratic	PMA
Industrial	XLI	21	\$4.40	5.84	0	-12%	239%	227%
Technology	XLK	6	\$1.40	4.7	3.18	42%	329%	371%
Consumer Staples	XLP	13	\$3.90	25.39	0.8	-26%	1289%	1263%
Healthcare	XLV	54	\$15.50	1.52	0.01	-9%	-2%	-11%
	ALL	94	\$25.20	6.2	0.3	-10%	279%	269%

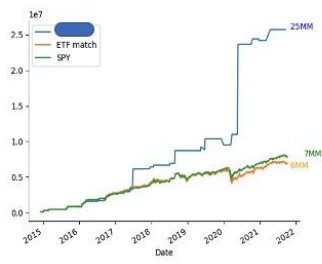
The below graphs show the PMA performance for each industry sector measured against the appropriate Select Sector SPDR and the S&P 500 (“SPY”).

All companies compared to the S&P 500 (SPY) and cap weighted to their Select Sector SPDR



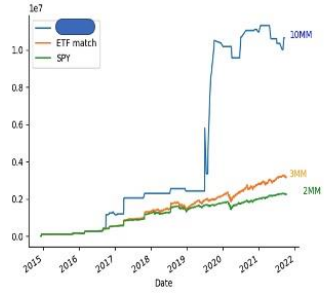
### Industrials

XLI companies compared to the XLI Select Sector SPDR and the S&P 500 (SPY)



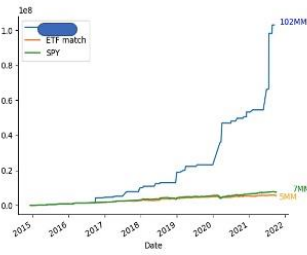
### Technology

XLK companies compared to the XLK Select Sector SPDR and the S&P 500 (SPY)



### Consumer Staples

XLP companies compared to the XLP Select Sector SPDR and the S&P 500 (SPY)



### Healthcare

XLV companies compared to the XLV Select Sector SPDR and the S&P 500 (SPY)

