

Scientific Infra and Private Assets' privateMetrics® Equity Index Family

Benchmark Statement

Last Review Date: 23 January 2025

General disclosures

Scientific Infra and Private Assets Pte Ltd is the administering entity in charge of determining and maintaining the privateMetrics® suite of equity indices.

Scientific Infra and Private Assets Pte Ltd is registered by the European Securities and Markets Authority - ESMA as a non-significant third country benchmark administrator under Regulation (EU) 2016/1011 of the European Parliament and of the Council. Scientific Infra and Private Assets Pte Ltd is registered under the legal entity identifier: 984500EB96F3CB9F9574 in the ESMA Benchmark Administrators register.

This statement applies to the Scientific Infra and Private Assets Pte Ltd's privateMetrics® Equity Index family.

The privateMetrics® Equity Index family qualifies as a nonsignificant benchmark according to EU Regulation 2016/1011 given that:

- (a) no benchmark in the family is used directly or indirectly within a combination of benchmarks as a reference for financial instruments or financial contracts or for measuring the performance of investment funds having a total average value of at least EUR 50 billion on the basis of all the range of maturities or tenors of the benchmark, where applicable, over a period of six months; and
- (b) each benchmark has market-led substitutes and, in the event that the benchmark ceases to be provided or is provided on the basis of input data no longer fully representative of the underlying market or economic reality or unreliable input data, the benchmark administrator does not anticipate a significant and adverse impact on market integrity, financial stability, consumers, the real economy or the financing of households or businesses in the European Union

Benchmark has the meaning set in EU regulation 2016/1011, “any index by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees”

Benchmark family has the meaning set in EU regulation 2016/1011 “a group of benchmarks provided by the same administrator and determined from input data of the same nature which provides specific measures of the same or similar market or economic reality”

Input data has the meaning set in EU Regulation 2016/1011 “data in respect of the value of one or more underlying assets, or prices, including estimated prices, quotes, committed quotes or other values, used by an administrator to determine a benchmark”

Universe Eligibility Criteria is to define the investable universe of private companies and segment them into broad market and those that resemble private companies backed by private equity investments, to track the fair value and the risk-adjusted performance of the unlisted infrastructure asset class.

privateMetrics® Methodology documents are part of the suite of documents describing the foundations of the privateMetrics® indices and is Scientific Infra and Private Assets’ effort to standardise performance measurement and reporting for the private markets’ asset class and address the data gaps identified as important bottlenecks on future private market investment. Specifically, the documents describe the approach used to compute the indices, including the main procedures, methods, and governance rules.

PECCS® known as PrivatE Company Classification Standard is part of the suite of documents and is a multipillar taxonomy specifically designed to classify and organise private companies into classes where companies in each class share similar risk factors affecting their valuation and performance.

Private Equity Asset Pricing Approach describes the approach used to design and compute indices of private companies. It describes the main procedures, methods, and rules governing the definition and computation of the valuation of each index constituent. Our approach follows standard guidelines on “fair value” accounting as defined under IFRS 13 and ASC topic 820 (US GAAP) and IFRS 9.

Description of the Scientific Infra and Private Assets' privateMetrics¹® Index family

Scientific Infra and Private Assets Pte Ltd provides access to Private Market indices with the aim to provide a transparent view of the unlisted private market, matching best practices in mainstream investment measurement with performance assessment across asset classes.

The privateMetrics® Index family encompasses equity indices of investable private companies around the world. The index family comprises 2,000 private companies with index history going back more than 10 years.

The privateMetrics® Index family is available in both equal-weighted and market-value weighted versions, and this family of indices measures the performance of unlisted equity investments in private companies in key private markets globally.

Specifically, companies located in the top 30 most attractive countries for private equity and venture capital investors are included. The attractive countries are determined based on market access to investors, the economic importance of economies, and restrictions applied on foreign direct investments.

Companies from each country selected are included in the index in a manner that is representative of the country and its sector's economic importance based on its private sector gross domestic product of each country-sector combination.

Methodological robustness is paramount to Scientific Infra and Private Assets Pte Ltd.'s approach in designing and computing its indices, therefore its indices are not contributed but calculated indices. Calculated indices avoid sample biases common in private market data and deliver better risk and performance measurement. Index quality, reliability, and integrity require that indices are managed and calculated according to a consistent asset pricing methodology, transparent rules, procedures, and systematic manner as much as possible.

Scientific Infra and Private Assets' objective of the Universe Eligibility Criteria is to identify the relevant universe to track the fair value and the risk-adjusted performance of the private market that is likely to be the target companies for private market investors, and thus are used to calculate our indices.

The Universe Eligibility Criteria details the types of input data to be used, the level of priority of each source, and the use of different types of input data.

Fair value is a market-based measurement rather than an entity-based measurement. It is concerned with how average prices are formed in the most representative markets. In the terminology of IFRS 13, the relevant market, which is known as the principal (or most advantageous) market, enables the best possible measurement of average/systematic drivers of prices in private asset investments. The eligible investment universe is defined by:

- focusing on countries that are attractive to private equity and venture capital investments.
- assign weights to countries selected based on their economic importance measured in terms of GDP adjusted for the public sector component, foreign direct investment restrictiveness, and pro-rated contribution of industrial sectors within each country. The weights are updated annually with the latest economic data.
- exclude ineligible companies as defined by the Universe Eligibility Standard to ensure the considered companies are like private equity investible companies.

Once the investment universe is defined, the next step is to include the largest private company in each country-sector according to the number required to make up the privateMetrics indices. These categories of information, guidelines, and rules are publicly available at <https://docs.scientificinfraprivateassets.com/docs/>.

In respect of EU Regulation 2019/2089 amending EU Regulation 2016/1011 and its Delegated Act 2020/1816, below are the required sustainability disclosures within the benchmark statement, related to the InfraGreen Equity Index family:

Item 1. Name of the benchmark administrator.	Scientific Infra and Private Assets, Pte. Ltd
Item 2. Type of benchmark or family of benchmarks.	Equity
Item 3. Name of the benchmark or family of benchmarks.	privateMetrics
Item 4. Are there in the portfolio of the benchmark administrator any EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors?	No
Item 5. Does the benchmark or family of benchmarks pursue ESG objectives?	No

All Benchmarks administrated by the company (including benchmarks within the Scientific Infra and Private Assets Pte Ltd) are non-significant benchmarks in the sense of the EU regulation 2016/1011 given that:

- (a) no benchmark is used directly or indirectly within a combination of benchmarks as a reference for financial instruments or financial contracts or for measuring the performance of investment funds having a total average value of at least EUR 50 billion on the basis of all the range of maturities or tenors of the benchmark, where applicable, over a period of six months; and
- (b) each benchmark has market-led substitutes and, in the event that the benchmark ceases to be provided or is provided on the basis of input data no longer fully representative of the underlying market or economic reality or unreliable input data, the benchmark administrator does not anticipate a significant and adverse impact on market integrity, financial stability, consumers, the real economy or the financing of households or business in the EU.

Pursuant to EU Regulation 2016/1011 Article 27 (1) (c & d), benchmark users are informed that,

- (a) External factors beyond the control of Scientific Infra and Private Assets Pte Ltd may cause changes or lead to the cessation of the benchmark. Scientific Infra and Private Assets Pte Ltd periodically reviews its benchmarks to question their continued relevance and quality in changing market conditions and may update benchmark definitions and methodologies if required to achieve these goals. However, there may be circumstances, such as specific changes to the underlying interest or private markets, where a benchmark methodology cannot be reasonably adapted and termination may be warranted. Other conditions, including index offering strategy, may also prompt Scientific Infra and Private Assets Pte Ltd to terminate, or put forward a proposal to terminate, a benchmark.
- (b) Against this backdrop, benchmark subscribers and other stakeholders who have contracts or financial instruments that reference a benchmark or investment funds that use a benchmark to measure their performance, are advised to have robust processes in place, including fallback provisions, to address the possibility of material changes to the methodology of this benchmark as well as the possibility of an outright cessation of this benchmark.

The methodology for the family of indices shares the same key element with the objective of providing a transparent view of the private assets market, matching best practices in mainstream investment measurement with performance assessment across asset classes. These indices are calculated indices, not contributed, which can avoid sample biases and deliver better risk and performance measurement. Methodological robustness is paramount to this approach.

The Company's index methodology and Universe Data Standard are documented in these suite of core documents:

- **privateMetrics Index Methodology**

This document explains the methodology detailing country selection, computation of country weights, computation of sector weights, company eligibility, and company selection guidelines. This allows the performance of private market investments to be compared more transparently with other asset classes.

- **Data Collection Standard**

For the eligible universe of private companies, data is rigorously collated from several primary and secondary sources. Data quality checks are performed before the data is stored in the privateMetrics database. Accounting information data about private companies is enhanced with financial market data and other economic data that is relevant to compute the prices of these private companies. Moreover, the eligible private companies are also classified according to their industrial activity, type of revenue models, lifecycle phase, customer model, and value chain type, all of which together constitute the independent pillars of the classification scheme used.

- **PrivatE Company Classification Standard or PECCS™**

This document describes the segmentation of private companies based on a first principles approach into groups that are likely to exhibit similar characteristics in terms of their valuation, performance, future growth potential, profitability, etc. The PECCS™ classification allows easy organisation of the data by facilitating the grouping of several private companies across multiple independent dimensions. The PECCS™ classification also makes it easier to compare the performance of several distinct segments of the private markets precisely.

- **The Valuation of Private Companies**

This document describes the asset pricing methodology used to estimate the value of private companies. The time-varying approach taken to estimate the valuation of private companies in a granular and frequent manner enables the computation of performance measures and estimates the risk of each index constituent. The approach follows standard guidelines on "fair value" accounting as defined under IFRS 13, ASC topic 820 (US GAAP), and IFRS 9.

Index methodologies are complemented by index policies which the Company¹ has in place that describe the principles that would guide the Company should exceptional circumstances affect the index management and explain how methodology changes and index termination are managed

- **Index Methodology Change and Consultation Policy**

This document explains how proposed methodology changes are originated, investigated, and validated.

- **Index Termination Policy**

This document outlines the procedure which is followed when the Company considers terminating index and setting out the considerations that the Company will undertake in deciding cessation of an index or a family of indices.

- **Trading Halt and Market Disruption Policy**

This document provides guidance for the treatment of index changes in the event of trading halts, market closures, disruptions or any other major or critical events which may result in the index/indices not being calculated or an alternate data being sourced, ultimately ensuring that the integrity of the index/indices is maintained.

These rules and policies are available on the website and the company provides full access to its index methodologies on a complimentary and non-discriminatory basis.

The Scientific Infra and Private Assets **Methodology Change and Consultation Policy** explains how proposed methodology changes are originated, investigated, and validated and when/how licensees and, where relevant, other stakeholders would be consulted in relation to these.

The Research and Index Offering Committee is the decision-making authority in matters of new offerings and changes to existing methodologies.

Relying on its expertise and considering internal and external feedback, it commissions research with potential impact on methodologies, analyses its significance with respect to the offering of benchmarks and analytics and, where relevant, makes formal proposals for the decommissioning of existing indices, changes to existing methodologies, and new index offerings.

Formal significant proposals for changes to existing methodologies (as well as new index methodologies) are subject to the review of the Index Oversight Committee.

When the decision to implement a change is finalized, it is announced to the relevant stakeholders. Subscribers of the affected benchmark are directly notified of the amendment by email and a Notice/Announcement is published on the website. These announcements describe the change and its rationale, implementation details and timeline.

Changes are disclosed ahead of their implementation, at least two weeks prior to the relevant Review Date or earlier except when an emergency requires the announcement to be concurrent with the implementation. Once the change is effective, the Methodology documents are amended. A record of all changes is maintained for a minimum of five years.

The cessation of a benchmark may be justified by one or several reasons, notably including:

- Changes in the structure of the underlying market;
- Changes in the private markets;
- Political events affecting the market accessibility or regulatory changes affecting the underlying interest;
- Unreliable or insufficient data input;
- Insufficient revenues;
- Obsolescence of methodology;
- Redundancy;
- Regular Reviews leading to removal of indices due to similar methodologies to another index.

Proposals to terminate a benchmark need to be approved by the Research and Index Offering Committee and must be notified to the Index Oversight Committee.

Where appropriate, relevant stakeholders may be consulted on the impact of the proposed or required termination, the proposed time schedule and alternatives.

The Scientific Infra and Private Assets **Index Termination Policy** lists the conditions that may warrant decommissioning an Index, discusses decision-making on such issues and describes the termination procedure.

Annex

ESMA registered indices under the privateMetrics benchmark family:

- private2000