



Private assets modelling

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Restricted



Today's storyline

Introduction

Modelling Private Assets

Measuring liquidity

Analyses

Demo

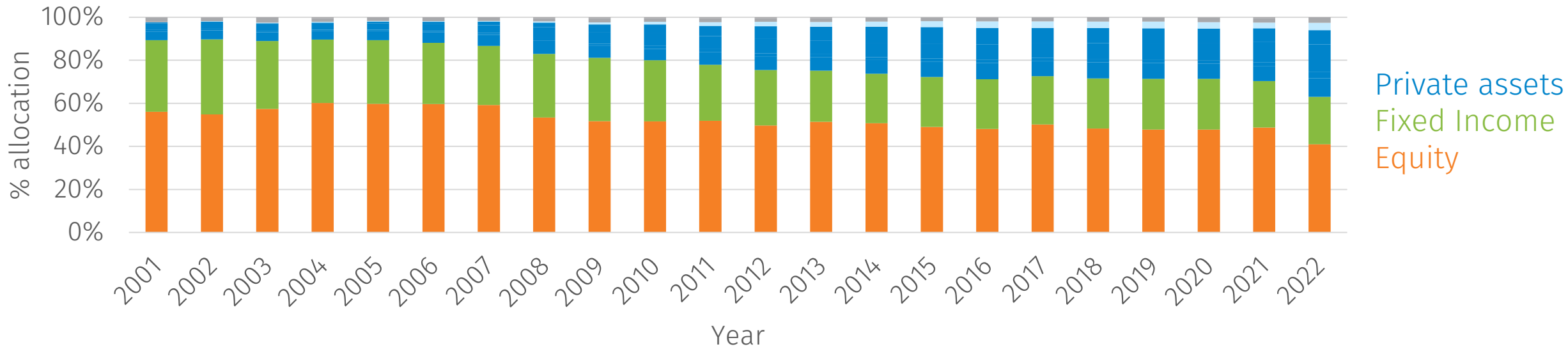
Next steps



Introduction

Importance of Private assets

Asset Allocation US Public Pension Funds



- In many investment portfolios, private assets are an appreciated element, valued for their return generation, diversification benefits, and (in some cases) inflation-correlation.

Source: <https://publicplansdata.org/>



Introduction

What is the risk in Private Assets

- Private assets can also be a source of concern:
 - how much to commit to reach the target allocation?
 - What's the likelihood of large SAA deviations?
 - And how significant is the liquidity risk?
- In this presentation we will demonstrate new GLASS functionality to model private asset commitments and cash flows and how to measure its impact on SAA and liquidity.

Source: [Preqin](#)



Modelling Private assets

Two different flavors

Private Equity (funds)

Private Equity (co-investments)
Real Estate
Infrastructure

Commitments

Capital calls

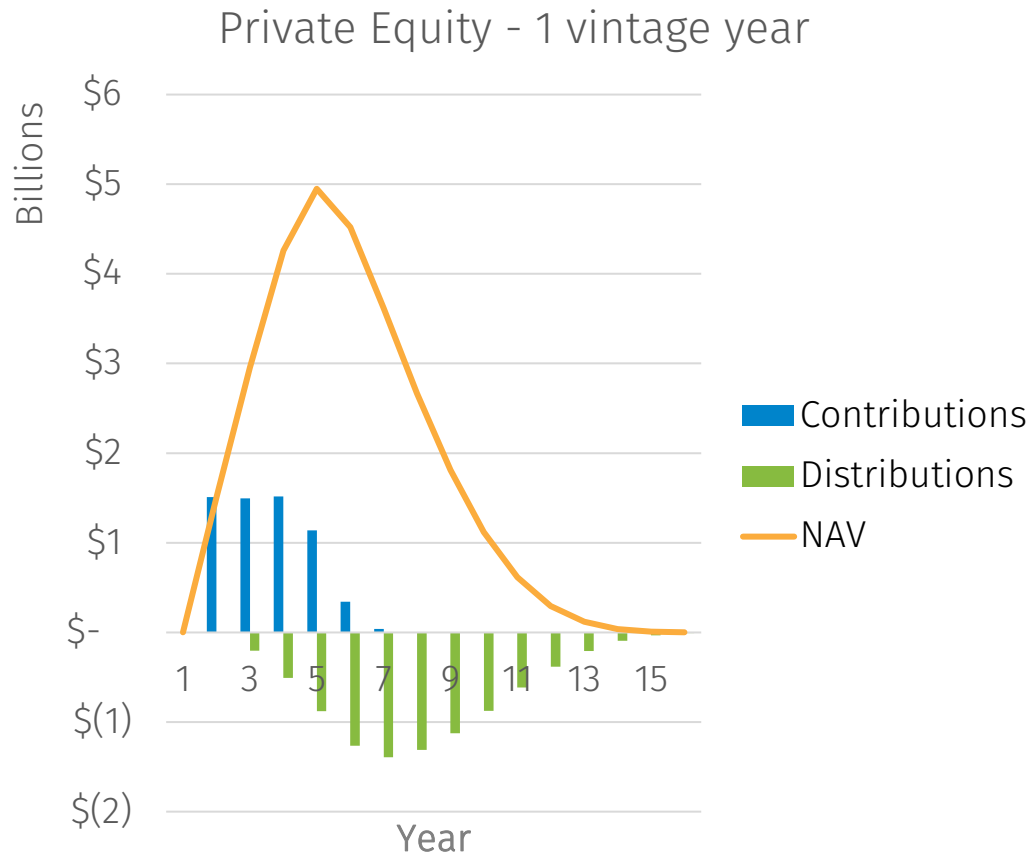
Distributions

Yearly investments

Sales / distributions

Private Equity

1 vintage year



- Illiquid cash flows:

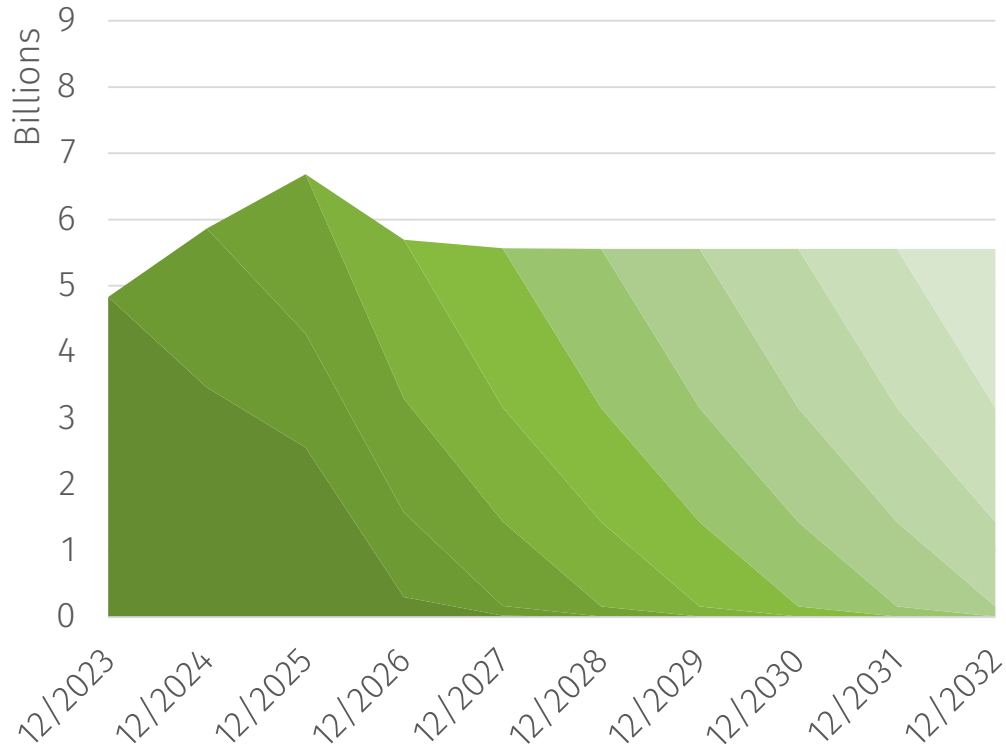
- Annual contributions → capital called
- Annual distributions → paid back to the investor
- NAV develops according to the contributions, distributions and returns / value changes



Private Equity

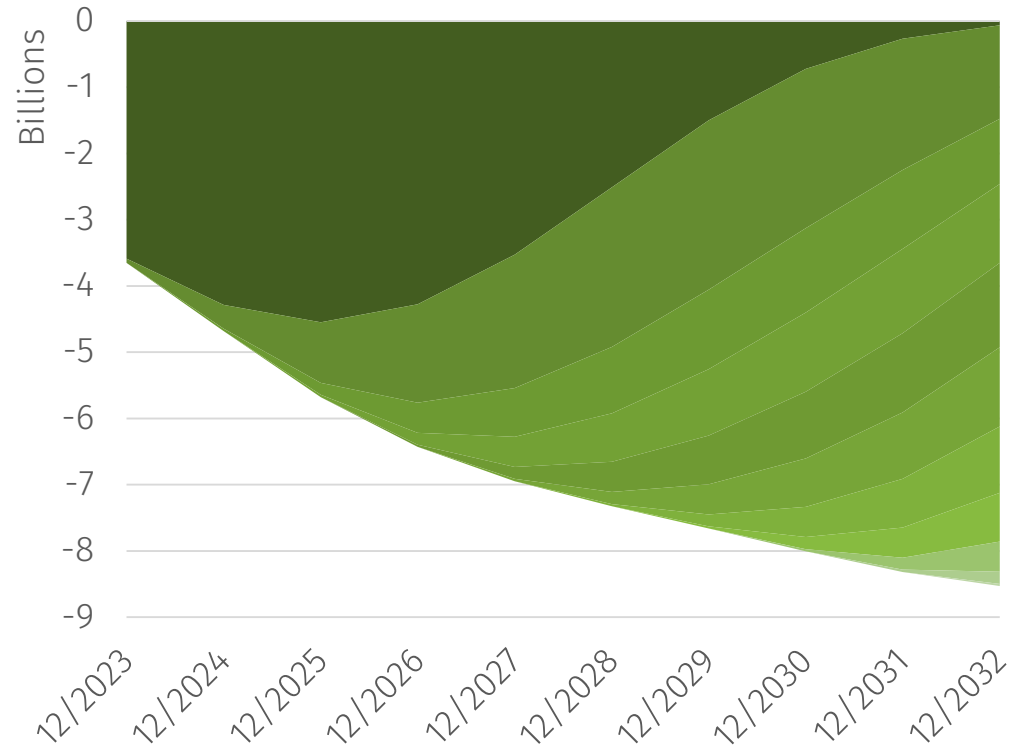
Total portfolio

Yearly capital call (USD)



- Current investments
- Vintage 0
- Vintage 1
- Vintage 2
- Vintage 3
- Vintage 4
- Vintage 5
- Vintage 6
- Vintage 7
- Vintage 8
- Vintage 9

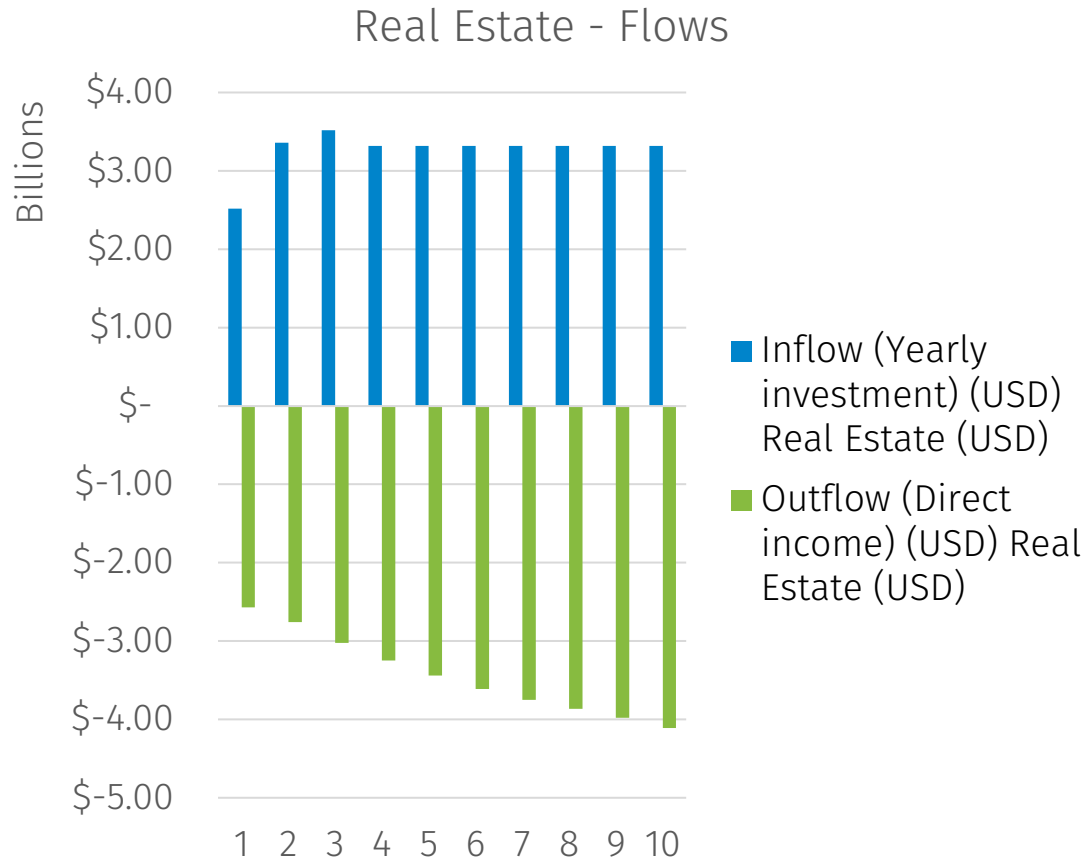
Yearly distribution (USD)



- Current investments
- Vintage 0
- Vintage 1
- Vintage 2
- Vintage 3
- Vintage 4
- Vintage 5
- Vintage 6
- Vintage 7
- Vintage 8
- Vintage 9

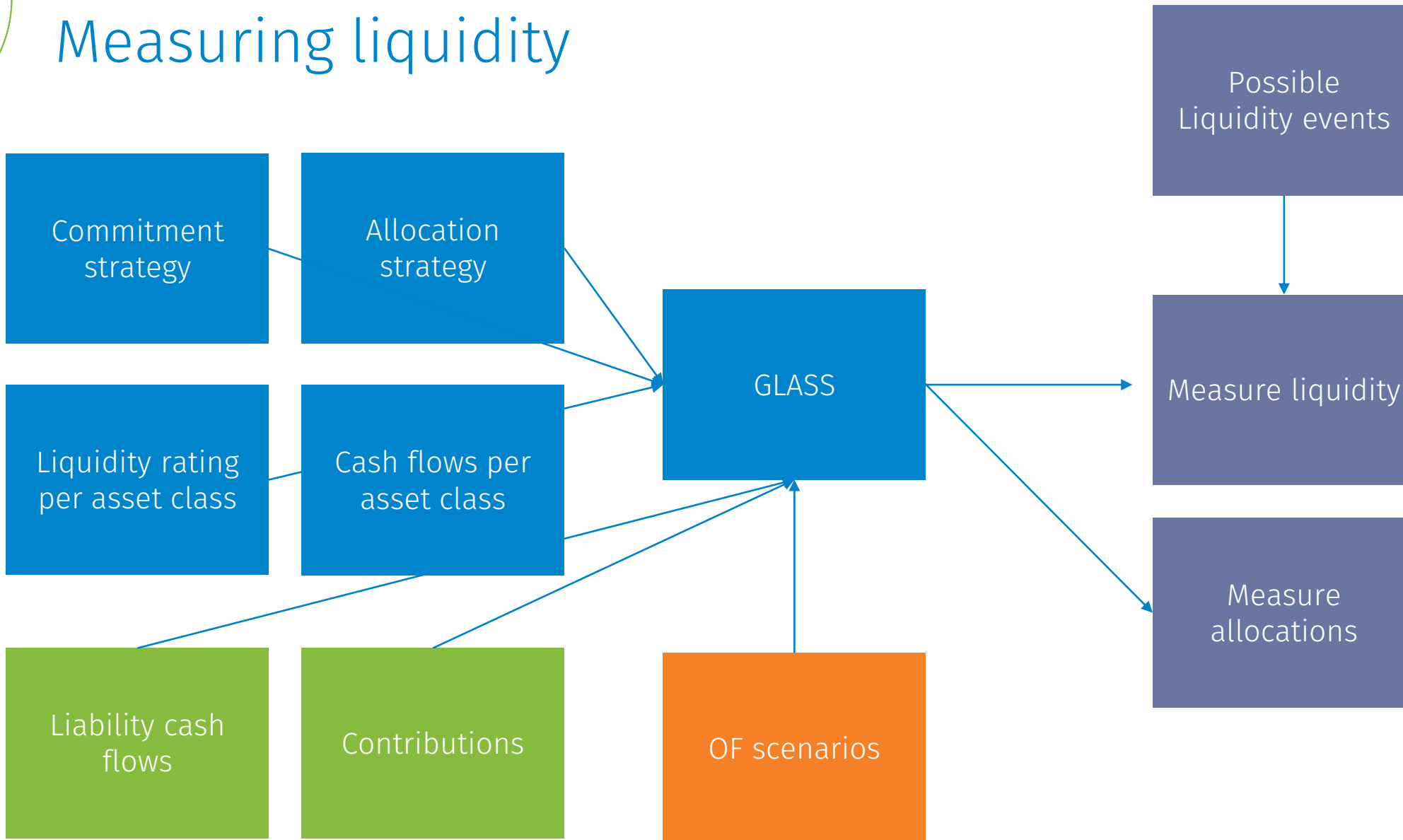
Real Estate

Total portfolio



- Yearly investments are called immediately
- Outflows consist of sales and rental income

Measuring liquidity



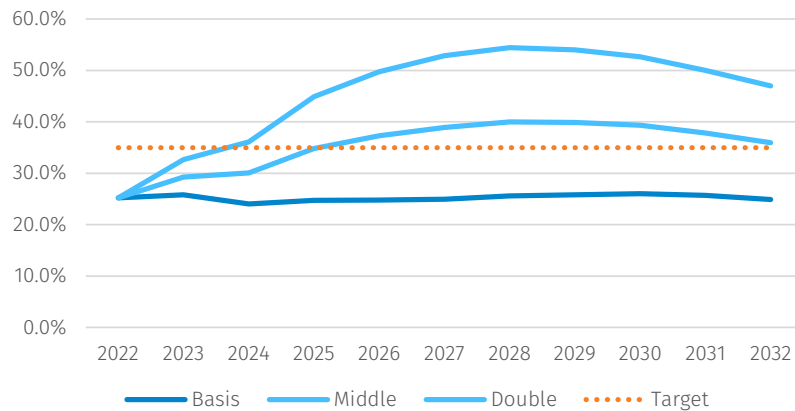
Analyses

how much to commit to reach the target allocation?

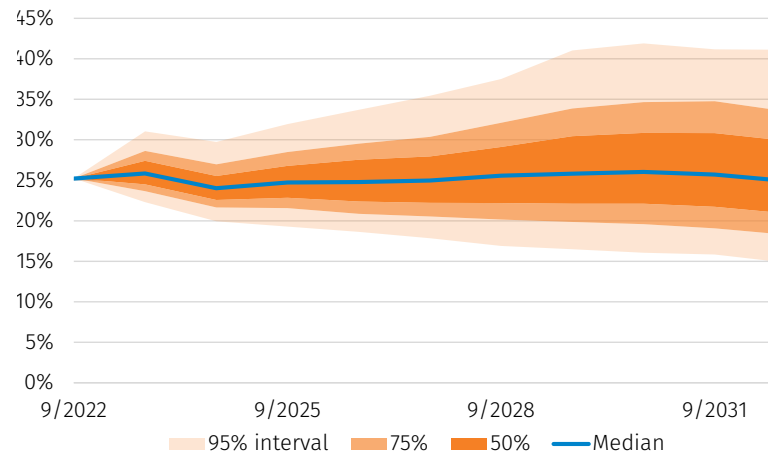
What's the likelihood of large SAA deviations?

And how significant is the liquidity risk?

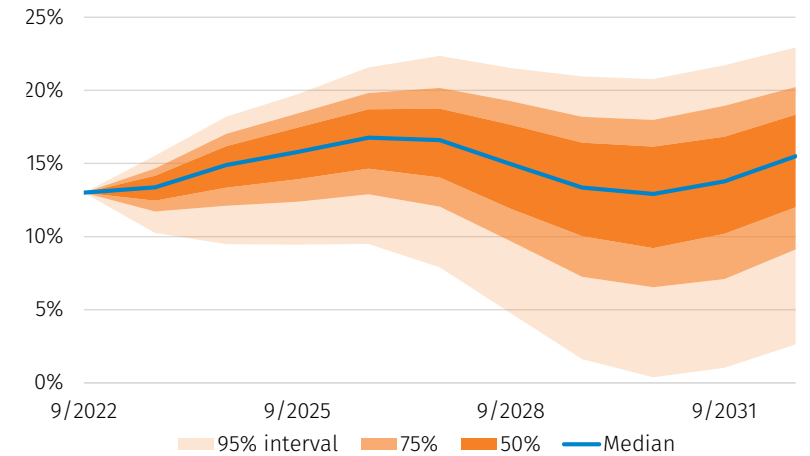
Commitment strategies



Private Equity - Allocation

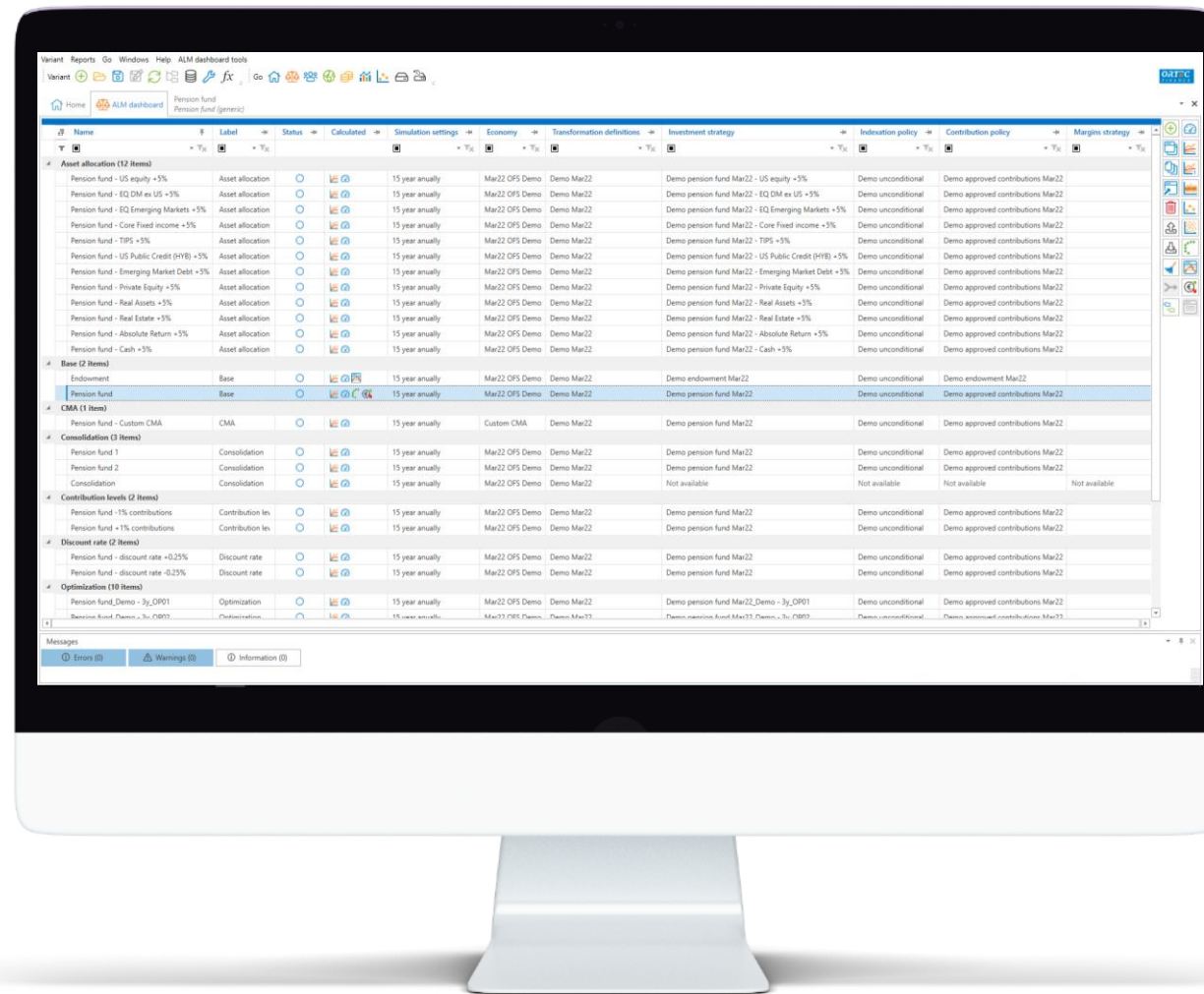


% Liquid assets



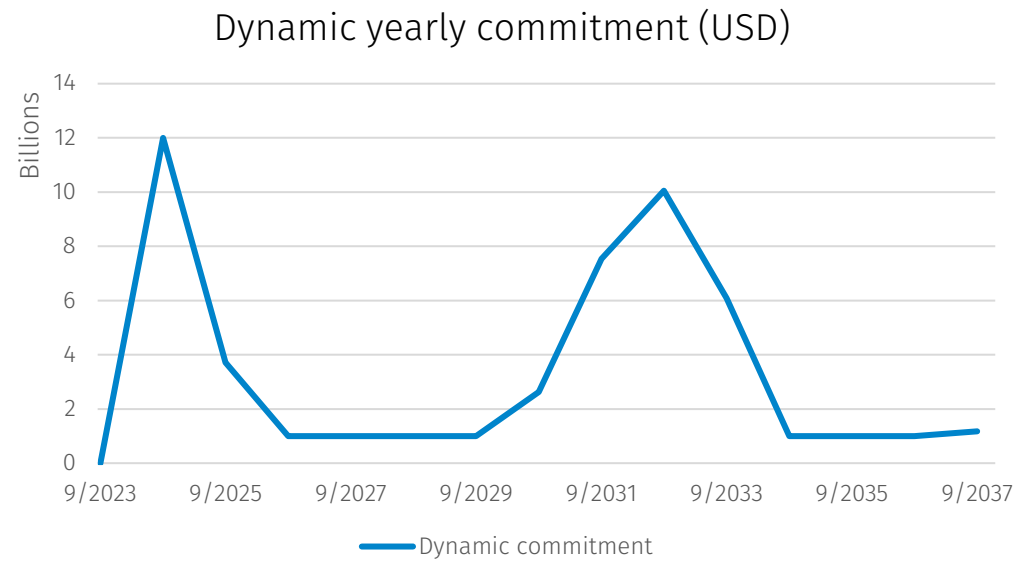
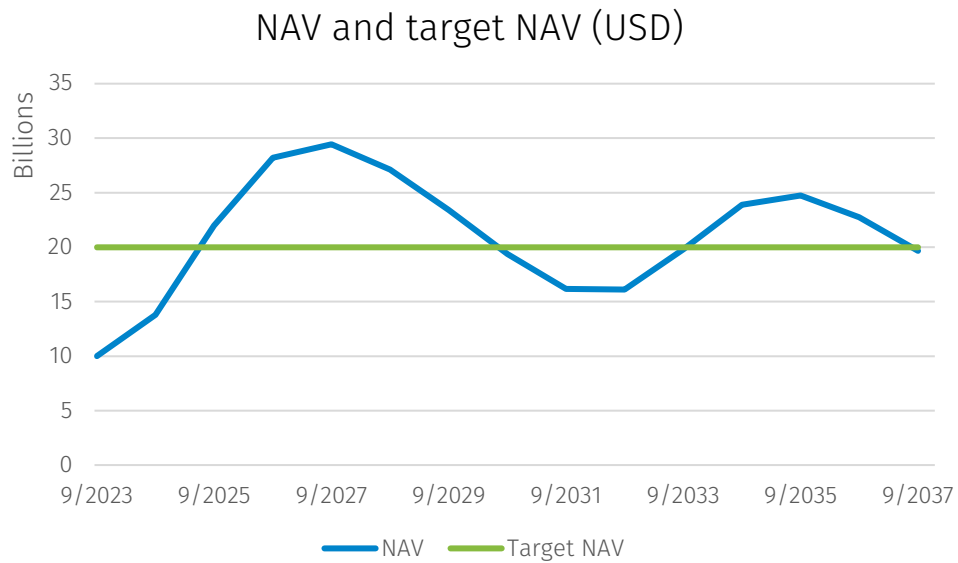
GLASS Demo

A slide is nice, but a demo is better



Next steps

Introducing a dynamic commitment model



Contact me



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