

Sample (or Index) Universe

The **Sample (or Index) Universe** of unlisted infrastructure investments for identified investable companies/issuers from countries that meet the market-inclusion criteria is then narrowed down using a final set of inclusion criteria.

The sampled universe is designed to be **representative of the underlying universe** and should:

1. achieve at least 50% coverage of market size estimated by total asset book value expressed in USD;
2. be representative of country, broad industrial sector and business-model share of the universe; and
3. meet both the above criteria in each calendar year.

Sampling criteria also reflect the potential to apply a valuation methodology that is in line with the guidance and principles discussed in EDHEC*infra's* [Unlisted Infrastructure Asset Pricing Methodology](#).

They include:

1. **Minimum available data:** unlisted infrastructure investments are only included in the process used to evaluate index constituents if they meet all the following criteria:
 - Basic data: Companies (borrowers) must be uniquely identified and named, and key dates must be available (incorporation, investment start, operation start, expected end, etc).
 - Level-2 input data: Documented initial and secondary market prices or credit spreads must be available.
 - Level-3 input data: Audited accounts including a complete description of the company's financial structure over time must be available.
2. **Minimum age:** early stage investments present specific issues when valuing private assets. In the case of infrastructure investments, early life predictability is improved by the nature of the underlying business as well as the structuring and monitoring mechanisms created by project financing. Nevertheless, a minimum-age criteria (typically five years post operation start) is necessary to ensure sufficiently robust estimates of the future cash flows on which the valuation approach relies. Early years- or greenfield-performance can only be computed once companies have reached a certain age.

Companies that fulfil the above rules are then ranked from the most to least relevant and representative. The ranking is based on

- total asset size in USD; and
- number of years post incorporation date. Companies with a larger size and incorporated for more than five years receive a higher rank.

In most markets, especially advanced markets, the above criteria can be met to build a representative sample of the investable infrastructure universe over each of the past 20 years.

In some cases however, this bottom-up sample strategy cannot be implemented due to the lack of available data. In this case the 50% market coverage constraint is dropped and replaced by a filter selecting the 20 largest transactions in the country for which the other criteria can be met.