

THE INTELLIGENCE YIELD CURVE™

# A quantitative framework for measuring how fast a company learns, and what that learning is worth.

AI is a commodity input. The model is no longer the moat. The moat is the rate at which a company compounds intelligence from its own data. The Intelligence Yield Curve measures that rate, and connects it directly to enterprise value.

50–61%

Share of global venture capital captured by AI startups in 2025.

Sources: OECD, Crunchbase, PitchBook

<1%

Share of companies that have actually achieved advanced AI maturity, measured by structured assessment.

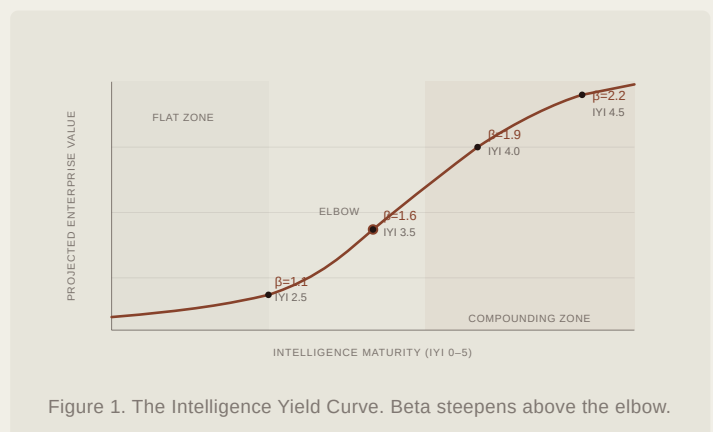
Source: ServiceNow Enterprise AI Maturity Index 2025

The gap

Systematic mispricing on a multi-trillion-dollar scale. The market is pricing the label, not the substance.

## A single coefficient. A direct line to enterprise value.

The Intelligence Yield Curve answers a single question: does this company compound intelligence faster than its competitors? It produces a single coefficient, beta, the **Intelligence Yield Coefficient™**, which describes the steepness of a company’s learning curve. Beta maps directly to implied EV/Revenue multiples and to forward compounding projections.



## The Five Dimensions of Intelligence Maturity

The IYC scores a company across five dimensions, each measured on a 0 to 5 scale. The composite is a single Intelligence Yield Index. The collective set is referred to as DIFHA™.

<p><b>D</b></p> <p><b>Data Depth</b></p> <p>How much proprietary data the company captures through normal operations, and how structured and accessible it is.</p>	<p><b>I</b></p> <p><b>Intelligence Reinforcement</b></p> <p>The speed of the feedback loop from outcomes back to model improvement.</p>	<p><b>F</b></p> <p><b>Feedback Frequency</b></p> <p>How often the system receives and processes outcome data. Real-time, batch, or manual.</p>	<p><b>H</b></p> <p><b>Human-AI Integration</b></p> <p>How effectively people and AI co-train each other within the workflow.</p>	<p><b>A</b></p> <p><b>Adoption Breadth</b></p> <p>Breadth of real usage across customers, teams, use cases, and partners.</p>
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## CAPM, restated for the AI era.

The IYC formula structure deliberately parallels the Capital Asset Pricing Model. In CAPM, expected return decomposes into a risk-free baseline plus a risk premium scaled by market beta. In the IYC, enterprise value decomposes into a sector baseline plus an intelligence premium scaled by intelligence beta. Same architecture. New inputs.

IN CAPM	IN THE IYC
$k^{(rf)}$ Risk-free rate	$k$ Sector constant
$\beta$ Market beta	$\beta$ Intelligence beta
$\alpha$ Alpha	$\alpha$ Learning exponent

When a fund manager asks what is this company's beta?, the IYC reframes the question from how volatile is the stock? to how fast does the company learn?

## Illustrative result. Same revenue. Different intelligence.

METRIC	COMPANY A	COMPANY B
REVENUE	USD 50m	USD 50m
IYI SCORE	1.5	3.6
BETA	0.59	1.69
IMPLIED EV/REVENUE	2.1x	9.5x
IMPLIED EV	<b>USD 105m</b>	<b>USD 475m</b>

Identical revenue. 4.5x valuation gap. The gap is the difference in intelligence compounding.

**FOUNDERS & CEOS**

**Score your company in under three minutes.**

The IYC Quick Score is a 15-question assessment that produces your beta range, your implied EV/Revenue band, and a dimension-level view showing where intelligence is strongest and where it is stuck.

[TAKE THE QUICK SCORE](#)

**INVESTORS & FUNDS**

**Apply the IYC to a portfolio company.**

47X runs the full 75-question diagnostic on one of your portfolio companies, with a 30-minute readout for the principal.

[REQUEST A DIAGNOSTIC](#)

Read the full working paper on SSRN: [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=6467579](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=6467579)

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