



# 2026

## Level 3 Private Markets

### Formula Sheet

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## LM1: Private Investments and Structures

*LOS C: discuss the difference between public and private market performance, and calculate, interpret, and discuss the use of performance metrics including distributed to paid-in, residual value to paid-in, and total value to paid-in*

### Return on Invested Capital (ROI)

$$ROI = \frac{\sum(\text{Cash flows received})}{\sum(\text{Cash flows invested})}$$

### Private Market Fund Multiples Paid-in Capital (PIC)

$$PIC = \frac{\text{Capital invested}}{\text{Total capital committed}}$$

### Distributed to paid-in (DPI)

$$DPI = \frac{\text{Cumulative distributions}}{\text{Total capital invested}}$$

### Residual Value to paid-in (RVPI)

$$RVPI = \frac{\text{Net asset value}}{\text{Total capital invested}}$$

### Total value to paid-in (TVPI)

$$TVPI = DPI + RVPI$$