

# The Ultimate VC Metrics Cheat Sheet

## METRICS FLOW DIAGRAM



## METRICS

- A** **Paid-in Capital**  
(a.k.a. PIC, drawn-down capital, contributed capital)
- B** **Distributed Capital**  
(net of fees, expenses, and carry)
- C** **Fund Book Value / NAV**  
(after provision for fees, expenses, and carry)
- D** **Investment Cost / Basis**  
(invested capital + deal costs)
- E** **Investment Proceeds / Returns**  
(distributions from full or partial liquidation)
- F** **Investment Book Value / NAV**  
(before fees, expenses, and carry)

## CALCULATIONS

### MULTIPLES

MOIC	$(E + F) / D$
Realized MOIC	$E / D$
Unrealized MOIC	$F / D$
Gross TVPI	$(E + F) / A$
Net TVPI	$(B + C) / A$
RVPI	$C / A$
DPI	$B / A$

### IRR

Gross IRR	Outflows	D or A
	Inflows	E & F
Gross Realized IRR	Outflows	D or A
	Inflows	E
Net IRR	Outflows	A
	Inflows	B & C
Net Realized IRR	Outflows	A
	Inflows	B

Gross Net

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## MULTIPLES

Metric	Highlights	A.K.A	Commentary
Multiple on Invested Capital (MOIC)	<ul style="list-style-type: none"> <li>Best multiple for gauging a GP's raw investment acumen.</li> <li>Measures a GP's ability to invest in big winners (measured as if the GP invested their own dollars).</li> </ul>	<ul style="list-style-type: none"> <li>Gross MOIC</li> <li>Multiple on Money (MOM)</li> <li>Book Value on Invested Capital</li> </ul>	<ul style="list-style-type: none"> <li>Clarify whether "gross multiple" means:               <ol style="list-style-type: none"> <li>Multiple on invested capital (MOIC)</li> <li>Multiple on paid-in capital (gross TVPI)</li> </ol> </li> <li>"TVPI" almost always means "net TVPI".</li> </ul>
Gross Total Value to Paid In Capital (Gross TVPI)	<ul style="list-style-type: none"> <li>Another representation of a GP's investment acumen.</li> <li>Measures a GP's ability to turn LPs' dollars into big winners (measured as an investment of LPs' dollars).</li> </ul>	<ul style="list-style-type: none"> <li>"TVPI"</li> <li>Gross TVPI</li> <li>Book Value on Paid-In Capital</li> </ul>	
Net Total Value to Paid In Capital (Net TVPI)	<ul style="list-style-type: none"> <li>Multiple often quoted by GP's, but ultimately only the second most important metric for LP's.</li> </ul>	<ul style="list-style-type: none"> <li>"TVPI"</li> <li>Net TVPI</li> <li>Net Multiple</li> </ul>	<ul style="list-style-type: none"> <li>No single "right way" to provision for carry, fees, and expenses. Make sure you're comparing "apples to apples" when comparing net multiples.</li> </ul>
Residual Value per Paid In Capital (RVPI)	<ul style="list-style-type: none"> <li>"Paper value" of the fund.</li> <li>Important metric that can look impressive early in a fund lifecycle.</li> <li>Ultimately all that matters is how (or whether) RVPI turns into DPI.</li> </ul>	<ul style="list-style-type: none"> <li>Equity Value Multiple</li> <li>Book Value Multiple</li> <li>Unrealized Value Multiple</li> </ul>	
Distributions per Paid In Capital (DPI)	<ul style="list-style-type: none"> <li>Most important metric to LPs (and by extension GPs) at the end of the fund.</li> </ul>	<ul style="list-style-type: none"> <li>Realized Value Multiple</li> </ul>	

## INTERNAL RATE OF RETURN (IRR)

Metric	Highlights	Commentary
Gross IRR	<ul style="list-style-type: none"> <li>Rate of return for measuring a GP's raw investment acumen.</li> <li>Measures a GP's ability to generate returns on invested capital.</li> </ul>	<ul style="list-style-type: none"> <li>Always clarify whether PIC or invested capital is used in gross IRR calculations. It can make a substantial difference.</li> <li>Can be applied to funds, companies, and securities.</li> </ul>
Gross Realized IRR	<ul style="list-style-type: none"> <li>Best rate of return for measuring a GP's raw investment acumen (as it measures actual returns).</li> </ul>	
Net IRR	<ul style="list-style-type: none"> <li>Multiple often quoted by GP's, but ultimately only the second most important metric for LP's.</li> <li>Measures a GP's ability to generate returns on LP's contributed capital.</li> </ul>	<ul style="list-style-type: none"> <li>No single "right way" to provision for carry, fees, and expenses in the unrealized value in the IRR calc.</li> <li>As with net multiples, net IRRs are only used at the fund level.</li> <li>No realistic net IRR for investment in companies or securities.</li> </ul>
Net Realized IRR	<ul style="list-style-type: none"> <li>Most important rate of return metric for LP's at the end of the fund.</li> <li>Gives rise to the all-important J-curve.</li> </ul>	

Gross

Net