There are multiple metrics you can use to evaluate investment performance. Some important measures we monitor and report are **DPI, RVPI, and TVPI.**

JLAM
Investment | Development

Build Wealth Through Private Real Estate Investments

First, here are critical terms you need to know:

Paid-in-Capital:
Also known as contributed capital or drawn capital, it is the capital an investor contributed to the investment or fund.

Residual Value:
The remaining value of an investment on a specified date, and it is determined by taking the fair value of an investment and adding other assets like cash.

Total Value:
The sum of the distributions and remaining value of an investment on a specified date.

DPI

(Distributed to Paid-in-Capital, or DPI)

Also referred to as the realized multiple. This is calculated by dividing the cumulative distributions by the amount of capital contributed.

$$\text{DPI} = \frac{\text{Cumulative Distributions}}{\text{Paid-in-Capital}}$$

RVPI

(Residual Value to Paid-in-Capital, or RVPI)

Measures the fair value of an investment (or Net Asset Value) relative to the paid-in-capital. This is the portion of an investment's value that is unrealized. This is calculated by dividing the residual value by the amount of capital contributed.

$$\text{RVPI} = \frac{\text{Residual Value}}{\text{Paid-in-Capital}}$$

TVPI

(Total Value to Paid-in-Capital, or TVPI)

Also known as the Investment Multiple, TVPI represents the total value of an investment relative to the amount of capital contributed to that investment. It is the sum of the realized value plus the unrealized value, divided by the capital contributions.

$$\text{TVPI} = \frac{\text{Total Value}}{\text{Paid-in-Capital}}$$

In summary

DPI measures total capital actually distributed to investors relative to the money invested. DPI increases as capital is distributed to investors. Once all distributions are made, the DPI equals the TVPI.

RVPI measures the residual value, or current fair value, remaining in an investment relative to the money invested. This provides investors with the unrealized value of an investment. Once all distributions are made, the RVPI equals 0.

TVPI represents the total value of an investment relative to the money invested. TVPI combines the DPI and RVPI, or realized and unrealized returns, to provide an easy-to-understand barometer of performance.

DPI + **RVPI** = **TVPI**

Note: These metrics do not consider the time value of money, so they cannot be compared to an IRR.

These are some of the metrics that can help investors evaluate the performance of their private real estate investments. For more information on how we use and report investment performance,

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