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NAV & Investor Reporting

The Quarterly Close of a Private Markets Fund
Course Summary

Six modules, one fund, every figure computed.
Educational material. Not investment advice. Prepared with AI assistance.

About this course

This course closes a private equity fund quarter by quarter and reports it to its investors, in Excel: Northmoor Capital Partners III, a fictional $500.0m fund, followed through the four quarters of 2028, from the cash roll to the capital account statement of one limited partner. It is written for fund accountants and controllers, administrators, auditors, investor relations teams and the investors who read these reports. The fund is the one of the Private Fund Finance & Controllership course; this course stands on its own.

Module	Lessons	What you build
1. The quarter close	1.1, 1.2, 1.3, 1.4	Build the cash roll
2. Fair value	2.1, 2.2, 2.3, 2.4, 2.5	Value a company with a multiple, Roll the valuations and the unrealized gain, The valuation bridge
3. Fees, expenses and accruals	3.1, 3.2, 3.3, 3.4, 3.5	The statement of operations, Balance sheet and NAV roll-forward, Build the carry accrual
4. Capital accounts	4.1, 4.2, 4.3, 4.4, 4.5	Allocate the quarter to the partners, Reallocate the accrued carry, The partner's capital account statement
5. Performance and investor reporting	5.1, 5.2, 5.3, 5.4, 5.5	Multiples and the net IRR, From gross to net, Fees, carry and the schedule of investments
6. Controls	6.1, 6.2, 6.3, 6.4	Build the checks sheet

How to use this summary

- Watch the lessons of a module, then read its two pages here: key ideas, the numbers of the case, the mistakes to avoid.
- Build along with the step files (one start file and one solution file per build lesson), then do the module tab of the Exercise Workbook.
- Practice the module in the Quiz App or in your learner account, then take the certificate exam online: 40 questions, 60 minutes, 80% to pass.

MODULE 1

The quarter close

What the NAV of a closed-ended fund is, who does what in the close, the cash roll and the path from the accounts to the NAV.

Key ideas

- In a closed-ended fund nobody deals at the NAV. It is a reporting figure: it feeds each partner's accounts, the performance figures and the carried interest accrual.
- The manager owns the NAV and its fair values. The administrator keeps the books and prepares the package; the valuation committee approves the values; the auditor tests the year end.
- The close runs in a fixed order: cash and transactions, valuations, fees and accruals, NAV, allocation to partners, performance, reports, review.
- NAV = assets at fair value less liabilities. A capital call raises the NAV; a draw on the subscription line does not; a distribution lowers it.

The case in numbers

Northmoor III	Value
Commitments (of which fee-paying)	$500.0m ($490.0m)
NAV at 31 Dec 2027	$92.20m
Cash at each quarter end of 2028	4.25 / 4.55 / 5.16 / 6.46
Subscription line at 30 Jun 2028	$50.00m
Interest on the line in Q3 2028	$0.6875m
NAV at 31 Dec 2028	$215.2125m

Mistakes to avoid

- Treating a capital call as income.
- Adding a line draw to the NAV.
- Closing the valuations before the cash is reconciled.
- Assuming the administrator is responsible for the values.