



Quick reference guide

AICPA Accounting and Valuation Guide, Valuation of Portfolio Company Investments of Venture Capital and Private Equity Funds and Other Investment Companies

Use the table below to find the most relevant information to you in the AICPA's new Accounting and Valuation Guide, *Valuation of Portfolio Company Investments of Venture Capital and Private Equity Funds and Other Investment Companies*.

Section	Chapters	Key topics
Background	Chapter 1	Industry overview
	Chapter 2	Fair value and related concepts
	Chapter 3	Market participant assumptions
	Chapter 4	Unit of account (i.e., how to determine what you are valuing)
Valuation	Chapter 5	Valuation approaches overview
	Chapter 6	Valuation of debt instruments: <ul style="list-style-type: none"> – When debt is your investment – At the portfolio company when estimating fair value of your equity investment in that company
	Chapter 7	Valuation of equity interests in simple capital structures typically encountered in traditional private equity
	Chapter 8	Valuation of equity interests in complex capital structures that have different classes, rounds, or tranches of equity
	Chapter 9	Control and marketability concepts and the impact to fair value
	Chapter 10	Calibration
Specific topics and FAQs	Chapter 11	Backtesting: process of improving one's valuation process by reviewing values ultimately realized in the market to their last fair value estimate and asking how good did you do
	Chapter 12	<ul style="list-style-type: none"> — Factors to consider at or near the transaction date and how they impact fair value — U.S. GAAP requirements for transaction costs
	Chapter 13	Special topics frequently encountered (e.g., indicative offers, insider financing rounds, commitments, guarantees, and contractual rights)
	Chapter 14	Frequently asked questions and answers
Appendices and Examples	Appendix A	What comprises a good valuation process and documentation
	Appendix B	Valuation reference guide to help understand valuation concepts and issues
	Appendix C	Specific valuation examples that cover different investment types measure over a number of different periods

For more information on the guide and how it may impact your business, visit www.aicpa.org.

Contact us

Sean McKee
Practice Leader, Public Investment Management
T: 609-947-2529
E: smckee@kpmg.com

kpmg.com/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2019 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International. NDPPS 866838