LMDIETZ

Updated: 31 Mar 2016

Use the aggregate function `LMDIETZ` to to calculate the linked Modified Dietz. The linked Modified Dietz function calculates the Modified Dietz for multiple periods as a method for calculating a time-weighted rate of return for each period.

Formula:

$$LMDIETZ = [\prod_{t=1}^{n} 1 + R_t] - 1$$

Where

$$R_t = \frac{(EMV_t - EMV_{t-1} - CF_t)}{EMV_{t-1} + \sum_{i=1}^{n} W_i}$$

and

$$W_i = \frac{(CD - C_i)}{CD} * CF_i$$

Where

EMV is the Ending Market Value
BMV is the Beginning Market Value
CF is the net cash flow during the period (sells/withdrawals less buys/contributions)
CF_i is the currency amount of cash flow *i*
C_i is the number of calendar days into the period CF_i occurs
CD is the number of calendar days in the period

Syntax

```
Public Shared Function LMDIETZ(
    ByVal CF As Double(),
    ByVal CFdate As Date(),
    ByVal MV As Boolean,)
```

Arguments

CF

the cash flow amounts. *CF* is an expression that returns a **Double**, or of a type that can be implicitly converted to **Double**.

CFdate

the date on which the cash flow occurred. *CFdate* is an expression that returns a **Date**, or of a type that can be implicitly converted to **Date**.

MV

Identifies the cash flow as being an Ending Market Value (TRUE) or not (FALSE or NULL). *MV* is an expression that returns a **Boolean**, or of a type that can be implicitly converted to **Boolean**.

Return Type

Double

Remarks

- The Ending Market Value for one period becomes the beginning market value for the next period.
- If you specify multiple Ending Market Values for the same date, then the values are added together.
- The period for weighting the cash flows is the number of days from the BMV to the EMV.
- Zero and NULL cash flows are ignored.
- Deposits to the account should be greater than zero.
- Withdrawals from the account should be less than zero.
- The ending market value of long positions is positive.

See Also

- EMDIETZ - Enhanced Modified Dietz
- GTWRR - Generalized time-weighted rate of return
- MDIETZ - Modified Dietz
- TWROR - Time-weighted rate of return with market value indicators
- TWRR - Time Weighted Rate of Return