

ILPA ANNUAL REPORT 2010



REFLECTIONS	MESSAGE FROM THE CHAIRMAN	2
LEADERSHIP	2010 ILPA BOARD OF DIRECTORS, COMMITTEES AND STAFF	4
VOLUNTEERS	EXECUTIVE DIRECTOR REPORT	6
GROWTH	MEMBERSHIP REPORT	8
ACCESS	RESEARCH REPORT	9
DEVELOPMENT	EDUCATION REPORT	10
CONNECTIONS	TECHNOLOGY REPORT	12
STABILITY	TREASURER'S REPORT	13
BEST PRACTICES	ILPA PRIVATE EQUITY PRINCIPLES	14
NETWORKS	CONFERENCES	16

MESSAGE FROM THE CHAIRMAN

Coming together is a beginning. Keeping together is progress. Working together is success.

- Henry Ford

For the past seven years, I have had the privilege of serving on the Board of Directors of the Institutional Limited Partners Association (ILPA). I have experienced first-hand the evolution of the association from a small, informal networking group to a global, multi-faceted organization that is growing each day. Over the last three years, membership has increased from 150 organizations to close to 240 members representing more than \$1 trillion in private equity assets under management globally. There is no doubt that the ILPA has become a well-respected voice for the private equity industry.

The past two years have been tumultuous for us all. Many predict that the private equity industry will be tested further in the future, given the increased flow of capital into the asset class and its impact on potential returns.

I believe that it is critical for both general partners and limited partners to focus on effective stewardship of capital, operating with the sole purpose of generating great returns for investors. How do we achieve this goal? By further institutionalizing the asset class through a greater

focus on value creation, strong governance and improved risk management. At the same time, I believe we would all benefit from promoting the many benefits that private equity brings to the global economy beyond solid investment returns for our beneficiaries, including the creation of more competitive and resiliant companies. This can only be achieved if both parties work together in communicating with various private and public constituents, who would in turn benefit from a better understanding of the positive impact of private equity.

Given that my tenure as Chairman is coming to an end this September, I hope you will indulge me as I reflect on some of ILPA's accomplishments over the past few years.

One of the organization's greatest achievements is the publication of the ILPA Private Equity Principles (the "Principles"). The process leading up to the release of the Principles truly demonstrates the leadership and impact of our network. The initiative began in January 2009 when the ILPA Board of Directors met for its annual offsite meeting. Given the upheaval in the market at that time, the Board

felt it was critical to identify and respond to key issues impacting the industry. Just two months later, the ILPA conducted an organization-wide feedback session at the spring members-only conference, which subsequently led to an outreach program to other institutional investors soliciting their opinions as to the most relevant issues that they were facing. The consensus was surprisingly clear and focused on the need to document best practices, particularly around improved alignment of interest, governance and transparency.

Since the release of the Principles, over 130 organizations have become formal signatory endorsers. The Principles have also fostered a productive dialogue between industry participants, reaffirming the focus on long term investment value creation and partnership between GPs and LPs. We have all benefited from the broad adoption of the Principles' preferred terms and protocols by many GPs. I believe that the outcome of this important effort is already contributing to the sustainability of private equity as an asset class.

The Principles have been particularly important in that they have helped strengthen the influence of





JONCARLO MARK CHAIRMAN, ILPA

the ILPA. In fact, over the past two years, the ILPA has provided input on regulations affecting our industry. Responses to groups such as the US Securities and Exchange Commission (SEC), Financial Accounting Standards Board (FASB), and European Commission regarding the Alternative Investment Fund Managers' (AIFM) Directive have proven to be well received and effective in offering an institutional perspective on important proposed regulatory changes.

The education platform developed by the ILPA for its members is a unique program for private equity professionals. I am proud to say that the ILPA's programs are unique in offering an executive level educational program targeted to the very specific needs of private equity practioners. The platform now includes members-only workshops and seminars, just-in-time webcasts that address critical issues impacting our industry and our most recent offering, the ILPA Institute.

ILPA Institute Level I was launched in 2009 in collaboration with the University of Chicago Booth School of Business and has expanded to include programs offered out of Booth's London

campus. The ILPA Institute Level II, designed for the experienced private equity professional and noted for its interactive style, debuted in New York in July 2010. We will build out additional educational modules over the next 18 months and are determined to evolve the content as market conditions change.

Our members-only conferences and General Partner Summit have become must-attend events for industry professionals. To address the growing participation of our European members, June 2010 marked the second members-only conference in London, England. ILPA also hosted many regional events this year, including meetings in Europe, Asia and Australia.

I am very excited about the role that the ILPA will play in the future of private equity and I look forward to my continued active involvement in the organization. I am proud of the solid infrastructure and communication network we have built as it allows us to address issues and take advantage of opportunities as they arise. However there is more work that needs to be done. We will continue to focus on augmenting our research function and

to build better industry benchmarks. I am hopeful that the organization will retain its strong voice and a presence at the table as key legislation and regulation impacting our industry is drafted.

In closing, I would like to encourage all of our current and future members to build upon this momentum: to take advantage of everything membership in the ILPA has to offer and to give back through involvement in the organization's operations and leadership. I would also like to thank the ILPA Board of Directors, Kathy and her team and our members for working with such passion and dedication to push our organization to new heights.

When the second of the second

2010 ILPA BOARD OF DIRECTORS, COMMITTEES & STAFF

The ILPA is governed by a Board of Directors, elected by the ILPA members. This Board of Directors consists of 14 representatives, including a seven-member Executive Committee. The ILPA Directors represent a diverse group of investor types from the organization's global membership base.

BOARD OF DIRECTORS & EXECUTIVE COMMITTEE MEMBERS

CHAIRMAN	Joncarlo Mark	Senior Portfolio Manager, CalPERS	
VICE CHAIR	Tim Recker	Managing Director – Private Equity, University of California Regents	
SECRETARY	Tanya Carmichael	Portfolio Manager, Ontario Teachers' Pension Plan Board	
TREASURER	John Breen	Vice-President - Head of Funds & Secondaries, Canada Pension Plan Investment Board	
CHAIR MEMBERSHIP COMMITTEE	Vanessa Indriolo	Managing Director - Private Equity, Fifth Third Bancorp	
CHAIR EDUCATION COMMITTEE	Linda Pells Calnan	Senior Investment Officer, Houston Firefighters' Retirement and Relief Fund	
CHAIR/RESEARCH, BENCHMARKING AND STANDARDS COMMITTEE	Jim Treanor	Senior Investment Officer - Private Equity & Strategic Investments, Florida State Board of Administration	

MEMBERS AT LARGE

DIRECTOR & CHAIR TECHNOLOGY COMMITTEE	Mehul Vora	Portfolio Manager, Lockheed Martin Investment Management Company
DIRECTOR	Nicole Belytschko	Director, CM Capital
DIRECTOR	Lindel Eakman	Managing Director - Private Markets, University of Texas Investment Management Company
DIRECTOR	Søren Thinggaard Hansen	Head of Private Equity, Industriens Pension
DIRECTOR	Jeremy Kranz	Vice-President, GIC Special Investments
DIRECTOR	Beatriz Gonzalez	Director, Telefonica Capital S.A.U.
DIRECTOR	Jim Pittman	Vice-President - Private Equity, PSP Investments



ILPA COMMITTEES

The ILPA committees are chaired by a representative from the Board of Directors and are comprised of ILPA staff and association members. Committee members represent the diverse membership base of the organization and are actively involved in delivering on their committee's mandate.

COMMUNICATIONS & EXTERNAL RELATIONS	Responsible for the implementation of communication policies, practices and procedures, as well as leading external relations initiatives.
EDUCATION COMMITTEE	Responsible for developing educational programs offered to members. Oversees the curricula of the executive education programs as well as content for programs such as webcasts, professional development and workshops.
FINANCE & AUDIT COMMITTEE	Responsible for overseeing the stewardship of the ILPA reserves and for ensuring proper governance measures are employed to manage budgets, finances and membership dues.
MEMBERSHIP COMMITTEE	Responsible for membership approval, new member initiatives and the ILPA's global presence.
PROGRAM COMMITTEE	Contributes to the development of content for the general sessions at semi-annual members-only conferences.
RESEARCH, BENCHMARKING & STANDARDS COMMITTEE	Responsible for fostering best practices in reporting, valuation policies, performance measurement and other related matters of interest to institutional investors in private equity.
NOMINATING COMMITTEE	Responsible for ensuring the independent selection and smooth transition of Director positions, and conducting all interviews to assess qualified candidates.
TECHNOLOGY COMMITTEE	Responsible for identifying, implementing and overseeing the adoption of leading edge technologies for use by staff and members of the ILPA primarily via the organization's website.
BEST PRACTICES COMMITTEE	Responsible for the development of private equity best practices and for educating opinion leaders and influencers on the merits of private equity investment.
GP SUMMIT COMMITTEE	Responsible for developing innovative ideas relating to the

production of the GP Summit.

ILPA STAFF



ILPA's programs and offerings are delivered to the members by the organization's professional team, under the leadership of the Executive Director, Kathy Jeramaz-Larson.



Darrell PintoDirector of Research



Stephanie Malek Technology and Information Systems Manager



Laura Scadding
Project Coordinate



Christine Campney
Technology



Nancy Hizaka-Vilardo
Director of Education



Christina Gyore Membership and Events Manager



Erin LintonEvents and Education
Coordinator



Kelly Allen Research Associate

ILPA ANNUAL REPORT 2010

EXECUTIVE DIRECTOR REPORT



KATHY JERAMAZ-LARSON EXECUTIVE DIRECTOR

The ILPA's momentum and reach has surged over the past three years, a reflection of the brainpower and man hours contributed by volunteer members towards the ongoing initiatives of the organization. The foundation built by both the Board of Directors and related committees ensures that the ILPA remains member-driven, responsive and relevant. The three pillars of the ILPA strategy — networking, education and research, remain top priorities for the organization.

Membership is the lifeblood of the ILPA. In 2010, the Membership Committee proactively enhanced the organization's global profile by sponsoring numerous member-led luncheons and panel discussions. These events were held to bring attention to the benefits of the ILPA and to provide networking opportunities to the 45 organizations that attended these functions world-wide. Events were held in Europe, Australia and in various cities across North America, and have been integral in attracting 32 new member organizations to the ILPA.

The Education Committee has successfully spearheaded the creation and delivery of the longawaited ILPA Institute, a two-tiered education platform designed to address the needs of both the novice and experienced private equity investor. The Institute has expanded its offerings from North America to Europe, consistent with its mandate to increase its global presence. Further, a subset of the education committee, the education task force, was created to ensure that the course content and quality of instruction continues to meet the standards of a pre-eminent executive level program. Together, these two committees have invested significant time to develop a product that is considered an essential component of an investor's continuing education.

The Research, Benchmarking & Standards Committee has a challenging and vitally important mandate; collect data; share best practices; track leading edge research; and provide access to all this information through ilpa.org. The annual collection of members' metrics and compensation data provides the opportunity to populate the Members Edge database, with the goal to become the de facto source of private equity data globally. This group of unsung heroes has diligently and continuously moved the research platform forward and the impact of their work has been tremendous.

The release of, and dialogue around, the ILPA Private Equity Principles has been phenomenal. The Principles have garnered the endorsement of over 130 organizations, catapulting the organization onto the international stage. The leadership team which led the effort to write and publish this best practice document was a collaborative, hands-on group of ILPA Directors, members and staff. Given the significant activity that emerged as the Principles gained market awareness, a Best Practice Committee was constituted to monitor and manage the ongoing evolution of this platform. Today, over 40 individuals contribute their time to this committee and its sub-committees.

In addition to the abovementioned, when you incorporate the notable contributions by the Nominating Committee, Program Committee, Audit Committee, GP Summit Committee and Technology Committee, it is easy to understand why the ILPA continues to be such a vibrant organization. The support and involvement of ILPA members differentiates us from other organizations and is the reason the ILPA continues to be a vital, timely and value-added organization, focused on helping LPs navigate this complex, sophisticated asset class.

MEMBERSHIP COMMITTEE REPORT



VANESSA INDRIOLO CHAIR, MEMBERSHIP COMMITTEE

There is no doubt the limited partner community is continuing to capitalize on the exceptional benefits of ILPA membership. Even during this challenging economic period, the ILPA's Membership Committee has exceeded its recruitment goals and kept attrition to a minimum. Currently, the organization has 238 members managing more than \$1 trillion of private equity assets globally.

The ILPA's diversity – by organization type and geography – is shown in Figure 1. Over the past year, the association has continued to increase its membership base both in and beyond North America. The membership committee was particularly focused on attracting more members from Europe and Asia this year. Further, the ILPA enhanced its representation from endowments, foundations and family offices. A diverse and continuously evolving membership base ensures the diversity of opinions and drives the momentum of the network.

The three priorities of the ILPA - networking, education and research - best describe the benefits of membership. Through the ILPA, members can develop a global network by participating in peer-to-peer conferences. These conferences offer strong educational content and provide a forum for sharing best practices. They are a great venue for our members to cultivate relationships with colleagues across the sector. This year, members have come together to discuss issues affecting the industry, and seek opinions and advice from the global network. Membership also provides access to specialized education programs and webcasts that cater to the needs of institutional investors. The ILPA's research platform enhances private equity market intelligence through direct access to industry data, market research and best practices.

Notably, members contributed their views to the production of the Principles, and played a direct role in strengthening the alignment of interest in the asset class. The enthusiastic dialogue seen at members-only semi-annual conferences and regional events demonstrates how the network delivers to participants, and has also provided additional momentum to our recruiting efforts.

The composition of the Membership Committee reflects the diversity of the association's members, allowing it to have maximum impact in membership recruiting initiatives. The Committee has focused its recent efforts on Europe, Asia and Australia, where Committee members were instrumental in organizing and co-hosting several round-table discussions and networking events that afforded institutional limited partners in close geographic proximity an opportunity to network and share best practices. These events are a great way for

FIGURE 1		
ILPA MEMBERSH	HIP BY GEOGRAPH	IY
UNITED STATES		66%
CANADA		11%
EUROPE		16%
OCEANIA/AUSTE	RALIA	1%
ASIA		3%
MIDDLE EAST		3%
ILPA MEMBERSH	HIP BY ORGANIZA	TION TYPE
35%	PUBLI	C PENSION
14%	CORPORAT	E PENSION
16%	ENDOWMENT/FO	UNDATION
8%	FAM	ILY OFFICE
9%	INSURANCE	COMPANY
6%	INVESTMENT	COMPANY

prospective members to meet existing members and have an opportunity to experience what the ILPA has to offer.

OTHER

12%

The Ambassador Program, a peer-to-peer mentoring initiative, pairs new members with active ILPA members to accelerate integration into programs and introduce new members to other participants in the association.

The Membership Committee and ILPA staff have accomplished a great deal over this past year to diversify and strengthen the association's membership base. The members *are* the association. It is their involvement coupled with the involvement of the ILPA staff that makes this organization such a necessary part of an institutional investor's tool kit.

RESEARCH, BENCHMARKING, AND STANDARDS COMMITTEE REPORT

Insightful research and quality benchmarking data are two fundamental components of a successful private equity investment program. Since its inception, the Research, Benchmarking and Standards Committee (RB&S) has worked closely with members to understand their research needs and in turn, endeavored to make the information readily available to members.

Developing an industry-wide performance benchmark continues to be a priority. Relevant benchmarks enhance risk-management capabilities and provide standards of measurement that help regulate the private equity industry. There is an unquestionable need for more transparency in the private equity industry, and current benchmarks do not satisfy the membership's requirements.

The ILPA's benchmarking initiative has proven to be more complex than originally anticipated. The committee continues to proceed carefully and systematically, to ensure that it develops the most appropriate solution to address the ILPA members' diverse requirements. Over the past year the Research, Benchmarking and Standards Committee has learned a great deal from its in-depth due diligence process, through consultation with members, opinion leaders and top vendors, and has gained a deep understanding of the key issues that must be addressed to make an ILPA benchmark a reality.

The ILPA's annual Member Metrics survey collects organization-specific data for the *Members' Edge* database. In aggregating this data the ILPA is able to accurately convey its scale and breadth to regulators, media and market influencers. Further, combining member specific data with industry comparables and topic specific survey results (e.g compensation data) allows the ILPA to be a leader in industry research initiatives.

The year - over - year growth of posted academic articles, industry reports and presentations in the research library clearly demonstrates the organization's value as a vehicle for sharing information between members. The launch of the new web portal has made it easier for members to access this valuable resource.

While my term as chair of the RB&S Committee expires in September, I am confident that the progress made to date will continue under the leadership of the new chair. The RB&S Committee is comprised of engaged and determined professionals, who will see the mandate through to fruition. I would like to thank the committee for their valuable time and input over the years. The ILPA will remain a strong institution because of its dedicated members like these who volunteer their time and offer their guidance to make this a better asset class.



JIM TREANOR
CHAIR, RESEARCH, BENCHMARKING
AND STANDARDS COMMITTEE

"Being relatively new to both the ILPA and to private equity investing, I was impressed with the depth and breadth of research content available on ilpa.org. It provided me with a complete source of industry knowledge to assist with my learning curve, and has been well worth the price of membership."

Tim Viezer
Managing Director Investments
University of Cincinnati









LINDA PELLS CALNAN CHAIR, EDUCATION COMMITTEE

In 2006, the ILPA hired a Director of Education and created its first stand-alone committee to focus exclusively on the educational components of the ILPA's mission. Four years later, the ILPA's educational offering has developed from informal workshops held in conjunction with members-only conferences to a robust world-class education platform designed to address the unique needs of its diverse membership. The platform now includes concurrent sessions, webcasts, professional development sessions and most recently, the ILPA Institute.

A focus on continuous refinement and improvement follows a formalized process that includes assessment of member needs, diversity of offerings, content control and caliber of delivery.

EDUCATION COMMITTEE REPORT

The creation of the ILPA Institute fulfills a long-time member-driven objective to create a structured, comprehensive executive program designed for limited partner practitioners. The ILPA Institute includes Level I and Level II components. The ILPA Institute Level I, which is offered in collaboration with the University of Chicago Booth School of Business, is an intensive, three-day course designed to provide private equity professionals with a practical understanding of the core concepts for investing in the asset class. Specifically, Level I was designed to address the needs of professionals who are beginning their career in private equity, as well as those experienced individuals who are looking to broaden their knowledge. In 2010 the ILPA Institute Level I expanded from its North American campus to include a program in Europe at Booth's London campus.

The ILPA Institute Level II held its inaugural event in New York City in July 2010. This comprehensive, advanced, multi-course program was developed by and for ILPA members in partnership with the program's instructor. Modules combine senior level private equity education with practical applications, and allows access to a powerful network. The inaugural track, *Private Equity Investment Documentation: The Limited Partnership Agreement and Other Materials Agreements* was a sell-out event and received strong reviews.

The four subsequent Level II courses are designed to allow for both a comprehensive and in-depth program.

These courses are:

- THE LIMITED PARTNER FOCUS: ESTABLISHING THE PRIVATE EQUITY PORTFOLIO FRAME WORK AND MANAGEMENT
- THE LIMITED PARTNER FOCUS: DILIGENCE, MONITORING AND MANAGEMENT
- THE GENERAL PARTNER FOCUS: GENERAL PARTNER GOVERNANCE, MANAGEMENT AND ORGANIZATION
- THE GENERAL PARTNER FOCUS:
 THE CREATION OF VALUE

Looking back at the last four years, it is extremely satisfying to see how the educational platform has grown from its infancy to its current robust state: a successful platform based on member directives. That being said, member input, ideas, suggestions, committee and task force involvement, are critically important to ensure the platform and its components continue to meet the needs and expectations of ILPA members. These programs are truly unique and unmatched. Your continued involvement helps to keep these programs relevant, timely and robust.

In September 2010 my term as Education Chair will end. I have found my time with the Education Committee, Level II Task Force, the ILPA team and third-party contributors so rewarding that I will continue to lend my support wherever needed.







THE EDUCATION PLATFORM

WORKSHOPS Offered as part of *members-only* conferences.

Topics have included: Quantitative Aspects of PE Investing 101; Secondary Markets 101; LPA 201 - Process for Reviewing an LPA Effectively; Distressed Investing 201 -Case Study; Due Diligence 101 – Constructing a Due Diligence Process; Private Equity Administration 101 - Outsourcing Portfolio Monitoring and Management; Financial Analysis 201; Risk Analysis 201.

PROFESSIONAL Provide members with additional professional development opportunities outside of **DEVELOPMENT** the ILPA Institute, webcasts and workshops. Sessions are led by third-party experts **SEMINARS** who customize their programs exclusively for the ILPA.

> Topics have included: Manager Selection and Monitoring; Qualitative Due Diligence; LBO Modeling and Negotiations Skills.

WEBCASTS Provide members with a platform from which to discuss topical and relevant issues that affect the industry in a timely and accessible format.

> Topics have included: EU Alternative Investment Fund Managers Directive; Troubled Funds webcast series; Issues Related to the Calculation of Carried Interest; The LPA Reloaded; and [AICPA Draft Issues Paper on FASB 157] - Valuation Considerations for Interest in Alternative Investments.

ILPA INSTITUTE The creation of the ILPA Institute fulfills a long-time goal of providing a structured, LEVELS | & || comprehensive executive program designed from the perspective of the limited partner.

> **Level I** provides the foundation for core concepts relating to private equity investing. Topics include: Private Equity Overview; Evaluating a Private Equity Fund & Fundraising; Investing in Limited Partnerships; Fund Structure; Governance and Limited Partnership Agreements; Private Equity Reporting and Accounting; Private Equity and Risk; and Private Equity: Due Diligence and Valuation

> Level II is a multi-track/module program aimed at experienced private equity professionals. The five modules are designed to provide comprehensive senior level private equity education with practical applications and access to powerful networks across the spectrum of private equity knowledge and practice requirements.

Many ILPA programs qualify for Continuing Education (CE) credits from the CFA Institute and for Continuing Professional Education (CPE) credits from the National Association of State Boards of Accountancy (NASBA).

"I really liked the negotiation exercise and the whole structure of the ILPA Institute Level II program, as it included both 'theory' and 'practice'. The relevance of the material was excellent." Tanya Kemp **Investment Analyst, Alternative Investments** San Francisco Employees' Retirement System

"The course was very topical, providing a great, in-depth discussion of the LPA, legal terms and other ancillary documents. It was a very enjoyable and informative session." Andrew D. Christensen

Director, Private Investments Carleton College Investment Office



MEHUL VORA
CHAIR, TECHNOLOGY COMMITTEE

TECHNOLOGY COMMITTEE REPORT

The ILPA's mandate is to ensure that the organization effectively facilitates communication between and among its members, enables the delivery of educational programs to members globally and provides the necessary infrastructure for secure access to data.

Technology plays a key role in the ILPA's mandate, and in 2009 the Board of Directors commissioned a new committee to address this critically important element in its strategy. The role of the Technology Committee is to identify and prioritize initiatives that are essential to both the ILPA's mission and its day-to-day operations. Committee representatives were selected from both early and later technology adopters, representing the diverse expertise of the membership base.



ILPA.ORG OFFERS MEMBERS UNIQUE NETWORKING, EDUCATION AND RESEARCH OPPORTUNITIES, MAKING THE NET WORK FOR YOU.

"This is a very exciting time to be part of the organization as the ILPA is currently undergoing a huge technology transformation. With the Technology Committee and staff, as well as input from members, we are striving to make ilpa.org the global standard for private equity reporting and information."

Erik Sebusch, Portfolio Manager - Private Equity & Technology Committee Member, UPS Retirement Plan

The technology platform has evolved over the past year and has included the launch of the new ILPA website. The goal of the portal is to become the primary private equity online repository of data for both members and non-members. With the successful rollout of ilpa.org, members are now beginning to capitalize on available tools.

The Technology Committee also helps drive externally focused opportunities, for example the creation of a beta LinkedIn group.

The Technology Committee is working on several new initiatives for the coming year, including the development of self-forming geographic networks, confidential collaboration tools, and online forums for discussing topics of interest, and will continue to solicit member feedback to ensure that it focuses on the highest priorities of the organization.



JOHN BREEN TREASURER

TREASURER'S REPORT

The ILPA's membership base is critical to the organizations ability to finance its key priorities. Membership dues, along with the attractiveness and high demand for the General Partner Summit, ensures that the ILPA has the necessary capital to deliver programs to its members.

REVENUE

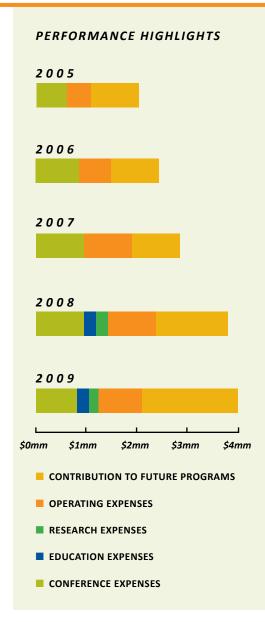
The ILPA GP Summit is an important source of funds for the association and in 2010, as in past years, the event is sold out with 75 GP participants. This Summit provides general partners with unique access to a diverse set of limited partners in an engaging and structured format over the course of two days. The value proposition to GPs is compelling: it is an efficient and cost effective forum for one-on-one meetings with a large number of qualified LPs. For LPs, the Summit provides a tremendous networking event, gathering organizations from around the world. It is a venue to meet, compare, contrast and hold discussions with relevant GPs and to participate in joint discussions, with presentations by participants that have included Larry Summers, Robert Rubin and panels comprised of prominent industry leaders. Member participation and senior representation at the Summit is essential for the continued success of this event, and further, for the ILPA. The association is also looking into diversifying and generating additional revenue streams through offerings that will leverage the ILPA's technology platform and research database.

EXPENSES

Following the successful launch of the ILPA Institute Level I, the ILPA introduced the ILPA Institute Level II in New York this year. Level II is a highly specialized, advanced program developed especially for experienced private equity professionals. ILPA members are provided a significant subsidy on this and all other ILPA educational programs.

This year, the organization also invested in a technology platform and launched a new website portal. Given the functionality and information this offers, it has proven to be an excellent investment of resources. The ILPA portal can host online discussion groups and provides secure access to confidential material. The Finance and Audit Committee will continue to support investment in the platform to provide the organization's global membership base with access to relevant private equity data.

The Finance and Audit Committee provides oversight of the stewardship of the ILPA reserves and employs governance measures to ascertain proper management of budgets, finances and membership dues.



THE MOMENTUM BUILDS

THE ILPA PRIVATE EQUITY PRINCIPLES: A CASE STUDY

In September 2009, the ILPA released the ILPA Private Equity Principles.

The Principles outline best practices for:

STRENGTHENING THE
ALIGNMENT OF INTERESTS
BETWEEN THE
LIMITED PARTNER AND
THE GENERAL PARTNER

ENHANCING PARTNERSHIP GOVERNANCE IMPROVING INVESTOR

REPORTING AND

TRANSPARENCY

FOR THE PRIVATE EQUITY

INDUSTRY

The Principles were developed in close consultation with ILPA members and industry participants through round-table discussions and member surveys. The Principles are intended to serve as a basis for productive discussions that will facilitate the creation of a prosperous, and mutually beneficial partnership between limited partners and general partners.

The development, launch and ongoing support of the Principles has demonstrated the ability of the network to identify a key issue that transcends the industry, assemble a relevant working group to address the opportunity and present a solution as the voice of the industry.

The momentum behind the Principles continues to build. To date, more than 130 private equity industry members have formally endorsed the Principles. The ILPA Board of Directors has been closely following the feedback of members and industry participants, including general partners and key industry associations, to facilitate a dialogue related to the best practices outlined in the Principles.

The release of the Principles has also generated great interest in subsequent initiatives related to best practices, which will further support the long-term viability of the asset class. The Best Practices Committee was established to execute on the following deliverables:

MANDATE

PRINCIPLES 2.0	Develop a protocol to continue to build on the Principles by revising, clarifying and augmenting existing guidelines.
STANDARDIZED REPORTING	Develop standardized reporting templates to track information such as capital calls, distribution notices and portfolio level metrics.
PRIVATE EQUITY PUBLIC AFFAIRS	Educate influencers of public opinion – including media, regulators, and politicians and bureaucrats whose decisions could influence the asset class – about the merits of private equity in the financial system.
INDUSTRY BEST PRACTICES RATING SYSTEM	Determine how the ILPA can work with third parties to develop a method of assessing the strength of fund management teams, using both a quantitative and qualitative approach.

The Principles have transformed the industry, and the ILPA is committed to ensuring that it continues to support a thriving private equity industry for all participants.









"I've attended several ILPA members-only conferences and find them impressive. The conferences provide a unique forum for networking since they are organized exclusively for institutional investors in private equity. The conference workshops and the world-class speakers provide me with an opportunity to think strategically about what I'd like to accomplish within my organization."

Nicolas Drapeau Director Bimcor Inc.

"The Annual GP Summit organized by the ILPA provides an efficient forum for our organization to further build relationships with the limited partner community. We were able to meet with many world leaders in private equity and had first-rate discussions with investors that we knew and others that we had not yet met. Since the session is in New York City, we are able to travel to one location and get together with a large group of potential investors from around the world over a very short period of time."

Filippo J. Cardini Senior Managing Director and Chief Operating Officer TowerBrook Capital Partners, LP

CONFERENCES AND NETWORKING REPORT

ILPA membership opens the door to networking opportunities with peers and industry leaders. Conferences have evolved from informal gatherings into highly structured events.

SEMI-ANNUAL MEMBERS-ONLY CONFERENCES

The ILPA holds semi-annual conferences that are exclusive to members. These members-only forums are unique opportunities for members to discuss relevant industry issues, to focus on education and best practices in the asset class and to network with each other in a confidential, relaxed environment.

ANNUAL GENERAL PARTNER SUMMIT

Now in its sixth year, the ILPA GP Summit provides a forum for general partners to meet numerous limited partners in an intimate one-on-one setting. The Summit connects GPs and LPs in a forum in which they can enjoy unique networking opportunities over the course of the two-day event.

A wide variety of LPs attend the GP Summit, including public pensions, corporate pensions, endowments, foundations, insurance companies and family offices from around the world. In all, more than 150 institutional investors take part, representing more than 85 limited partner organizations. Registration for GP firms is limited to 75 organizations and is consistently sold out, making this event a must-attend priority with more than 450 attendees.

REGIONAL EVENTS

This year, the ILPA hosted several regional events in Europe, Asia and Australia for members and non-members. Topics under discussion included the Principles as well as issues that impact members locally. These types of events allow prospective members to meet with other LPs and get a sense of the strength and momentum of the ILPA.

ABOUT ILPA

The Institutional Limited Partners Association (ILPA) is a not-for-profit organization committed to serving limited partner investors in the global private equity industry. The ILPA's mission is to provide a forum for facilitating value-added communication, enhancing education in the asset class and promoting research and standards in the private equity industry.

The diverse membership is united by a common goal: to enhance the professional interests of its affiliates and, ultimately, to enable them to achieve strong portfolio performance.





