THE IMPACT OF THE NETWORK

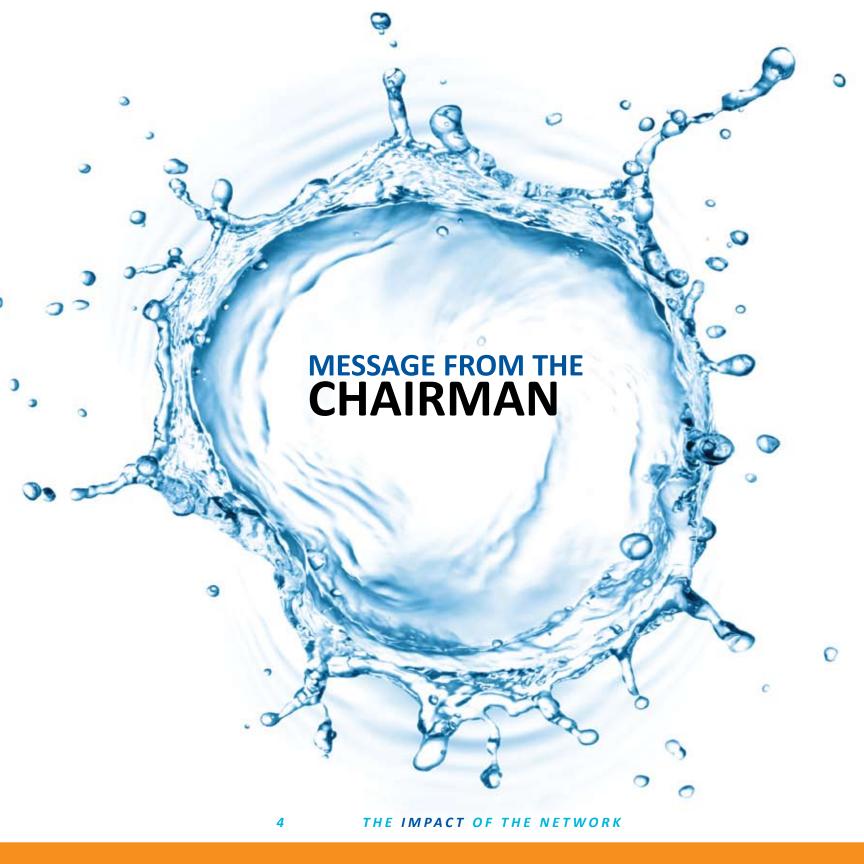






THE IMPACT OF THE NETWORK

ILPA ANNUAL REPORT 2011





TIM RECKER
CHAIRMAN. ILPA

As the theme of this year's annual report suggests, the ILPA network impacts and influences the way we work in private equity today. The ILPA's position within the industry can only be described as impressive. I am proud to be a part of an organization that has so significantly impacted the industry across so many different facets. This would not be possible without the commitment and engagement of our member base.

One example of the membership working together is the Best Practices Committee, which garnered significant media attention around its efforts relating to the ILPA Private Equity Principles. By reaching out to members, general partners and industry third-parties, the committee was able to obtain feedback on how to improve upon this best practice document around alignment of interest between GPs and LPs, transparency and reporting, and governance. As a result of the hard work of a core group of contributors and with input from a broad array of other sources, the committee was able to publish a revised version of the document in January 2011. Industry feedback on the Principles 2.0 has been exceptionally positive and has resulted in a 40% increase in LP and GP endorsements.

Importantly, the Best Practices Committee also released the Standardized Reporting Template. In 2011, Capital Calls and Distribution Notices were released in conjunction with the revised Principles, and the Quarterly Reporting Standards were formally released in September. An incredible amount of effort went into the development of these tools, from canvassing members for their views, to hosting several round-table discussions with GPs, CFOs and auditors. The reporting standards ensure consistency of

reporting, transparency, uniformity of information and reduction in time required to reconcile reports, as well as improving LP-GP relations and communications.

In terms of long-term strategic planning, the ILPA's Board of Directors has been focused on ways in which it can continue to strengthen the ILPA. This has included examining the scope of the ILPA, evaluating strategies to continue the global reach of the organization, expanding the use of regional events, and determining ways to enhance the GP Summit to ensure its long-term success. We have also evaluated the staffing requirements at the ILPA, which is critical to enabling us to deliver on our strategic priorities. In that regard, we are in the process of recruiting for key positions that will serve to further strengthen the organization and expand our capabilities to serve our members.

As always, the key to the ILPA's success is meeting the needs of its members. I want to take this opportunity to thank all of the committee members and volunteers that continue to make the ILPA a success and a critical organization for our industry. While I have highlighted a few of the ILPA initiatives, there are so many more that also continue to have significant impact on our continued effort to improve the private equity industry. Finally, I would like to express appreciation for the membership's contribution to this year's *Member Needs Assessment Survey*, as it provides the Board with visibility on how we can better serve our members in the future. Thanks so much for your continued engagement in the ILPA and I look forward to another exciting year ahead.

im Recke

Respectfully.

2011 ILPA BOARD OF DIRECTORS, COMMITTEES AND STAFF

The ILPA is governed by a Board of Directors, consisting of 13 individuals selected from member organizations from across the globe representing a diverse group of investor types. On an annual basis, an independent committee calls for nominations to the Board, and through a rigorous interview process, nominates a slate of individuals for consideration by members and appointment at the Annual General Meeting.

EXECUTIVE COMMITTEE

CHAIR Tim Recker, Managing Director, University of California Regents

VICE CHAIR John Breen, Vice President, Head of Funds & Secondaries, Canada Pension Plan Investment Board

SECRETARY Tanya Carmichael, Portfolio Manager, Ontario Teachers' Pension Plan

TREASURER Jim Pittman, Vice President, Private Equity, PSP Investments

MEMBERSHIP CHAIR Vanessa Indriolo Vreeland, Managing Director, Private Equity, Fifth Third Bancorp

EDUCATION CHAIR Dhvani Shah, Managing Director of Private Equity, New York State Teachers' Retirement System

RESEARCH CHAIR Michael Mazzola, Managing Director, Head of Alternative Investments, MetLife

MEMBERS AT LARGE

Jesús Argüelles Portfolio Manager, CalPERS

Lindel Eakman Chair, Best Practices Committee / Managing Director, University of Texas Investment Management Company

Anja Bach Eriksson Senior Portfolio Manager, SAMPENSION

Jeremy Kranz Vice President, GIC Special Investment Pte Ltd

Robert van Schaik Private Equity Portfolio Manager, Shell Asset Management

Mehul Vora Chair, Technology Committee / Portfolio Manager, Lockheed Martin

ILPA COMMITTEES

In addition to the ILPA Board and its Executive Committee, the ILPA has several committees governing its numerous initiatives.

Each committee is chaired by a Director of the Board and includes ILPA staff and a diverse group of members.

FINANCE COMMITTEE:

Responsible for overseeing the stewardship of the ILPA reserves and for ensuring proper governance measures are employed to manage budgets, finances and dues.

MEMBERSHIP COMMITTEE:

Responsible for membership approval, new member initiatives and ILPA's global presence.

EDUCATION COMMITTEE:

Responsible for enhancing educational programs offered to members and for development of curriculum for the executive programs. Content for programs such as webcasts, professional development and workshops is vetted by this committee for quality and relevance to ILPA members.

RESEARCH, BENCHMARKING & STANDARDS COMMITTEE:

Responsible for fostering best practices with respect to reporting to Limited Partners, valuation policies, performance measurement and other such matters of interest to institutional investors in private equity.

ILPA STAFF Pictured left to right:

David Venturi, Intern

Kathy Jeramaz-Larson, Executive Director

Stephanie Malek, Manager, Systems & Technology

Laura Scadding, Project Coordinator

Meredith McClean, Intern

Tina Volpe, Strategic Marketing and Communications

Nancy Hizaka-Vilardo, Director, Education

Christina Gyore, Membership and Events Manager

Erin Linton, Education and Events Coordinator

NOMINATING COMMITTEE:

Responsible for ensuring the independent selection and smooth transition of Board positions and for conducting all interviews for qualified candidates.

CONFERENCE PROGRAM COMMITTEE:

Contributes to the development of content and overall program development for semi-annual members-only conferences.

TECHNOLOGY COMMITTEE:

Responsible for overseeing technology as applicable to the ILPA membership.

GP SUMMIT COMMITTEE:

Responsible for ensuring the high quality of the ILPA's flagship event, including enlisting panel participants, guest speakers, GPs, and facilitating networking events.

BEST PRACTICES COMMITTEE:

Responsible for the on-going development and maintenance of the ILPA Private Equity Principles and related best practice tools and initiatives.



MESSAGE FROM THE EXECUTIVE DIRECTOR



KATHY JERAMAZ-LARSON EXECUTIVE DIRECTOR

The ILPA is the global, member-driven organization dedicated to advancing the interests of private equity Limited Partners through industry-leading education programs, independent research, best practices, networking opportunities and global collaborations.

This is the ILPA's new corporate mission. Changes over the last few years have not been substantial. Yet the nuances ensure that, as an organization, we continue to impact the industry and remain member-driven.

We regularly seek member feedback to assess our priorities and to evaluate the allocation of resources so as to maximize returns to the organization. Given the myriad of ILPA activities and initiatives, we strive to keep all members updated. The Annual Report not only provides the opportunity to outline and highlight key initiatives, but forces us to take a step back and measure how our projects compliment our mission and how we have truly made an impact on our industry.

- By reaching out to leading academics in the global field of private equity, ILPA has identified research currently being conducted that will provide LPs with independent third-party studies supporting the asset class.
 Also, by collaborating with subject matter experts, the ILPA can focus attention on how best to disseminate the information into the hands of members and industry experts.
- The Member Needs Assessment Survey allowed members to provide feedback to the ILPA and to influence the organization's strategic direction by commenting on its strengths, areas for ongoing development and projects for future consideration.
- Best practice documents, such as the Private Equity Principles and the Standardized Reporting Templates, Fund Economics and LPA Rating Models, provide members with tangible tools for use in day-to-day fund analysis.
- Regional events have emerged as a strong offering for our members.
 By facilitating small local gatherings of LPs around the world, members are able to remain connected throughout the year, and can delve into issues impacting each other in specific geographic regions.
- The work conducted around adopting an industry-wide performance benchmark for private equity is nearing an important milestone.
 During the 2011 Annual General Meeting, members were provided with a full summary of the evaluation and selection process for choosing a potential partner. We will seek a collective determination on the outcome of the value and viability of the project.

The ILPA continues to find ways to aggregate data and resources, disseminate information, and bring members together to discuss issues of great importance to the industry. As an ever-evolving organization, it is important that we continue to have an impact on strengthening the asset class for its long term sustainability.

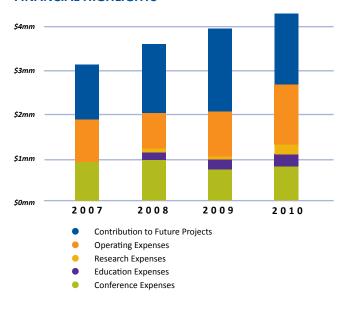




TREASURER'S REPORT

With the introduction of the ILPA's annual GP Summit 7 years ago, the ILPA hired professional management and built out its capabilities to service this complex industry. While the mandate remains focused on the needs of LPs, the impact of our programs has extended to the benefit of GPs and the industry as a whole. As the new Chair of the Finance and Audit Committees, managing the organization's resources to optimize returns to members is my top priority, and supporting initiatives that have a broader impact has been particularly rewarding.

FINANCIAL HIGHLIGHTS





JIM PITTMAN
TREASURER

USES OF CAPITAL IN 2011:

- Evolution of the Best Practices; Principles and the Standardized Reporting Templates
 - Hosted GP-LP roundtable discussions
 - CFO consultative roundtable for Standardized Reporting Templates
 - Construction, distribution and consultative processes 100% funded by ILPA
- Costs for members to attend ILPA members-only conferences has not increased since 2007, despite rising expenses. On average, the ILPA subsidizes 50% of conference fees, allowing for maximum attendance globally.
- Customized executive level education at an introductory and advanced level of knowledge is offered to members at a subsidized rate.
- The ILPA will host 5 to 6 webcasts by year end 2011, which are
 offered free to members.
- Membership fees have remained constant for the past 7 years to ensure affordability to all LPs.
- Professional Development Seminars led by world-class experts are available at subsidized rates.

To continue to offer these programs to its members, the ILPA hosts its annual GP Summit. The success of the event hinges on the participation of the LPs and the support that members show the ILPA.

The ILPA's financial affairs are under careful stewardship of the Finance Committee, Treasurer, and Executive Director. Governence measures are employed to assure proper management of budgets, finances, and membership dues. These practices, along with the continued growth of the organization, ensure the long term sustainability of the ILPA.





MEMBERSHIP COMMITTEE REPORT

VANESSA INDRIOLO VREELAND CHAIR, MEMBERSHIP COMMITTEE

With one year remaining of my four year term serving as Membership Chair on the ILPA Board, I would like to take a look back to assess the impact the committee has had on the organization as a whole. We have made tremendous strides in broadening the voice of the ILPA by recruiting new members that contribute to our global perspective on private equity. Further, establishing new programs that integrate members into the association, we continue to promote active membership and limit attrition.

FIGURE 1

ILPA MEMBERSHIP BY GEOGRAPHY



ILPA MEMBERSHIP BY ORGANIZATION TYPE



The ILPA continues to attract new members from around the globe. In 2011, membership grew 10% to more than 250 organizations representing over \$1 trillion of private assets globally. New member organizations have come from the US, Europe, Asia and Australia, and include various investor types such as endowments and family offices, keeping the membership diverse both by organization type and by geography (see Figure 1). Over the course of the next year, the Membership Committee is focused on growing the membership base in Europe and in Asia to ensure that the ILPA continues to receive a diversity of opinion on how it can make a positive impact on private equity investing globally.

The mandate of the Membership Committee is to:

- Oversee the admission, termination and suspension of members.
- Gain organization-wide commitment around membership recruitment to cultivate a diversity of views, gain global support for ILPA initiatives and strengthen the "voice" of the ILPA.
- Commit to a culture of knowledge transfer and collaboration amongst other ILPA committees in order to leverage the work being completed by all ILPA volunteers.

To support the committee's mandate, the Membership Committee sponsored several regional ILPA events designed to connect current and prospective members, encourage networking and provide a forum for sharing information with other LPs. In 2011, the ILPA hosted nine regional events across North America, Europe, Asia, and Australia that featured discussions on the ILPA Private Equity Principles, industry best practices, as well as other industry related issues impacting limited partners. These events have also proven to be a successful recruiting tool for the ILPA, as 20% of this year's new members were recruited through a regional event.

The benefits of membership in the ILPA continue to expand and now extend beyond access to educational programs and events to include access to: market research, industry related information and news, reduced rates/complimentary access to third-party industry events, the ability to post jobs for free at ilpa.org and access to the members-only section of ilpa.org and to Members' Edge – ILPA's online global database of private equity professionals.

A key challenge for the Membership Committee is to continually review ILPA membership criteria, balancing the need for LPs to maintain a venue for confidential and LP-only conversations with the need to ensure that the organization represents the face of private equity. The corporate structure of many private equity organizations is also changing, creating a further dimension for the ILPA to consider in its membership criteria. To achieve that balance and to be more inclusive, the committee refined the membership criteria this year to allow more organizations to apply for membership.

It has been our members' involvement that has contributed to the ILPA's success in strengthening the global voice of LPs and in accomplishing the organization's mission. As the organization continues to grow and evolve, I invite you to become involved in the ILPA through either the Ambassador Program or one of our other committees. Your involvement, in collaboration with the ILPA staff, ensures that the organization continues to play an integral role for institutional investors and the asset class.

The Ambassador Program continues to be a successful initiative for the ILPA.

Developed to help new members navigate various ILPA programs and offerings,

the program provides for each new member to be paired with an Ambassador who serves as an initial touch point for new members within the ILPA community. Ambassadors facilitate a seamless transition into the organization, help new members access and leverage all available resources, and accelerate introductions to colleagues around the world. Currently, the ILPA has 30 Ambassadors, comprised of Board members, committee members and active members.

"I would highly recommend the Ambassador Program to new members. The program has provided me with the opportunity to meet and speak with my peers for a fresh perspective on Private Equity as well as various ILPA educational initiatives. As this program has been of great value to me, in the future I'd love to become an Ambassador."

Helena Kent (Hasma Capital), New ILPA Member

"Being an Ambassador offers the opportunity to expand my network with high-touch relationships, while providing new members with information on what resources are available and with a forum for idea sharing on investment strategy."

Mehul Vora (Lockheed Martin Investment Management Company), ILPA Ambassador



GENERAL PARTNER SUMMIT AND CONFERENCES REPORT

"The ILPA GP Summit provides a great opportunity to see a number of top-level GPs in a very efficient manner. In addition to the scheduled meetings, I have found the panels, keynotes and networking opportunities to be educational and beneficial to our program."

Andy Christensen, Investment Manager, Carleton College Investment Office

"We travel the world to stay in contact with our Limited Partners and to build new relationships. ILPA provides an efficient means for the private equity world to conduct business, by bringing decision makers together for several days, and providing the opportunity for real learning and information exchange. We have attended since day one and it has been one of our best investment decisions. ILPA provides a time- and cost-effective means of building and developing relationships with key Limited Partners . . . we can see 10 key investors without spending a month on the road, allowing our senior people to focus on investing and the portfolio companies."

Douglas M. Karp, Managing Partner and Co-Chief Executive Officer, Tailwind Capital

ANNUAL GENERAL PARTNER SUMMIT

Now in its seventh year, the GP Summit has become the premier event for private equity professionals. The GP Summit attracts more than 450 senior professional attendees each year including 150 institutional investors representing more than 85 limited partner organizations ranging from public pensions, corporate pensions, endowments, foundations, insurance companies and family offices. Throughout the two-day conference, investors meet with 75 highly regarded GPs.

Held annually at the Waldorf=Astoria in New York City, this event provides a forum for general partners to meet with limited partners in an intimate one-on-one setting. Over the course of two days GPs and LPs have the opportunity to network with one another and identify possible business partnerships.

The 2011 GP Summit features a keynote address by Kevin Warsh, Member of the Board of Governors, Federal Reserve System (2006 - 2011), as well as a panel of private equity experts discussing the current macroeconomic environment.

SEMI-ANNUAL MEMBERS-ONLY CONFERENCES

Each year, the ILPA holds two members-only conferences which are confidential in nature: only ILPA members and a few prospective members are invited to attend. Networking is a priority at the conference, affording members the opportunity to build relationships with others in their field and also share best practices. This past year more than 300 members attended the conferences which were held in Orlando, Florida and Vancouver, British Columbia. Both featured a pre-conference professional development seminar including interactive workshops customized to address LP specific issues.

REGIONAL EVENTS

Regional Events are designed to be a forum for current and prospective members to meet, network and share information with other LPs, and discover the impact of the ILPA. In 2011, the ILPA hosted nine regional events across North America, Europe, Asia, and Australia for both members and non-members. Discussions included the ILPA Private Equity Principles as well as other industry-related issues that impact limited partners.





EDUCATION REPORT

DHVANI SHAH
CHAIR, EDUCATION COMMITTEE

The ILPA recognizes the impact that the education platform has had on the evolution of the organization. As the new Chair of the Education Committee, the task of maintaining the pace that was set over the last few years has been both challenging and exciting. Workshops at the Members-Only Conferences, Professional Development Seminars, Webcasts, and the ILPA Institute serve as the four major categories of the current education platform. New programs are in development, and existing programs are continually being refined to keep content relevant. The need to challenge ourselves to continually innovate with respect to program delivery formats, provide broad geographic access, and create content that addresses the global nature of the membership base adds a new dimension to the activities of this committee.

The ILPA is proud to offer such a comprehensive educational platform. Member feedback and committee involvement play an integral role in ensuring that the ILPA continues to meet the needs and expectation of its members.

WORKSHOPS

ILPA Workshops are an important component of member education. These high-quality workshops are content-driven and presented by experts in the field. Participants contribute to their learning experience by generating ideas and sharing their insights during interactive discussions. Workshop presentations and materials are available on the Members-Only section of the ILPA website after each conference and serve as a resource to all members.

PROFESSIONAL DEVELOPMENT SEMINARS

The ILPA offers one-day professional development seminars, which are held in conjunction with the Members-Only Conferences. Sessions are led by third-party experts who customize their programs for the ILPA. These seminars are interactive, and often provide case studies and simulations.

WEBCASTS

The ILPA Webcasts provide an opportunity to discuss industry matters in real-time without leaving the office. Replays are available for those who cannot participate in the live webcasts, and materials are posted to the Members-Only section of the ILPA website.









The ILPA's executive education program, the ILPA Institute, is recognized globally as the premier source of comprehensive and sophisticated courses for the private equity professional. Particular care and attention has been taken to ensure that the curriculum provides both an introductory and advanced course structure to address the educational needs of our diverse membership. Interactive coursework provides ample opportunity for networking and sharing industry insight.

ILPA INSTITUTE LEVEL I

The introductory course, taught by world-class faculty from The University of Chicago Booth School of Business, was once again offered this year in both Chicago and London. ILPA members have a keen interest in attending the ILPA Institute as demonstrated by the number of members that are now Institute "alumni". To date, more than 130 individuals have completed Level I.

ILPA INSTITUTE LEVEL II

A suite of five modular programs developed for ILPA members in partnership with best-in-class program instructors. Level II Module 1 was first offered in July 2010, Module 2 was launched in January 2011, and the inaugural Module 3 will be introduced in January 2012. At present, 112 individuals have completed ILPA Institute Level II across three programs.

Attendees at the ILPA Institute have come from around the globe including North America, South America, Europe, Asia, and Australia.

"The ILPA Institute is a great environment for LPs to gain solid and practical knowledge of key private equity issues and terms. The program also provides a glimpse into the diligence done by GPs when evaluating an investment. It is beneficial to have an understanding of that process because it allows us, as LPs, to refine our own diligence processes and better identify top tier managers. The program itself is a phenomenal chance to interact with some of the most highly respected private equity academics and practitioners in the world. Having an LP cohort ask these experts questions on what the key challenges and opportunities are for the industry provides tremendous perspective."

Colin Crane, Investment Officer, CalPERS, Level I Alumni

All ILPA Institute programs, workshops and webcasts 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).

Level I is an introductory course designed exclusively for those who are new to the private equity industry, or who wish to gain a broader understanding of the asset class.

Level II courses are designed to be comprehensive and in-depth with material covered in five separate modules:

Module 1 – Private Equity Investment Documentation: The Limited
Partnership Agreement and Other Material Agreements

Module 2 - Establishing the LP Portfolio Framework and Management

Module 3 - Executing LP Roles and Responsibilities

Module 4 - An Inside Look at the Fund Manager

Module 5 - The General Partner Framework for Creating Value



TECHNOLOGY REPORT

Our industry, like most, has its share of early-adopters and laggards, innovators and luddites and many others in between. Recognizing this continuum, the goal of the Technology Committee is not to promote every new technology but instead to help members efficiently identify and utilize common tools that improve daily productivity and enhance collaboration between and amongst private equity professionals globally. The sixmember Committee is staffed with individuals of varying technical proficiency. By leveraging these diverse experience levels, we hope to screen a comprehensive set of tools and help our peers to navigate those most useful for our profession.

One example of our efforts is the ILPA's LinkedIn group, which has grown steadily over the last year and now includes 172 members. Access is exclusive to ILPA members, allowing for private discussions on portfolio issues, GP updates, industry news and resources, exchange of peer opinions and the ability to chat with experts on important issues to members. This LinkedIn group was started to help promote online and offline communications among members, and therefore its benefits only increase with the network effect. As a reminder, there is no cost to join or participate.



MEHUL VORA
CHAIR, TECHNOLOGY COMMITTEE

The ILPA Board approved the implementation of new association management software (AMS) to provide staff with greater analytic tools to track, understand, and improve service levels across all ILPA activities. Dramatic member growth over the last three years prompted this essential investment in technology, which is expected to drive meaningful efficiency gains for staff and deliver new insights into member preferences and needs. The new system will enhance financial budgeting and reporting, and will also provide mobile access to ilpa.org via iPhone, Blackberry or other devices.

Looking towards 2012, the ILPA Technology Committee actively welcomes member feedback on new and ongoing projects and will continue to provide guidance to the Board on essential technology-related initiatives. Please contact Stephanie Malek (smalek@ilpa.org) for inquiries or suggestions.



access to ilpa.org
via iPhone,
Blackberry, and
other mobile devices.

The ILPA's web portal, ilpa.org, is continually being updated to improve the user experience.

Recent upgrades include:

- Easier site navigation
- · Better search functionality
- More prominent display of ILPA initiatives
- New section highlighting best practices and the ILPA Private Equity Principles
- Group discussion pages



RESEARCH, BENCHMARKING, AND STANDARDS COMMITTEE REPORT

A top priority for the ILPA over this past year has been to identify and provide access to high quality research and data to enable our members to better manage their private equity programs.

Since my appointment as Chair of the Research, Benchmarking and Standards (RB&S) Committee, we have reaffirmed our mandate and developed a strategic plan to use ILPA's brand and influence to improve the quality and quantity of institutional data available to our membership. We are also focused on addressing the technology and legal requirements necessary for our members to receive and share data.

Over the past several years, significant effort has been placed on developing a unique ILPA performance benchmark, which would allow our members to better compare their program's performance against their peer group. The goals for 2011 were to complete the project evaluations, select a strategic partner, and present viable options to the ILPA Board and then the membership for consideration. The RB&S Committee will review their progress and recommendations with membership



MICHAEL MAZZOLA CHAIR, RESEARCH, BENCHMARKING AND STANDARDS COMMITTEE

at the Fall members-only conference, and will then incorporate their feedback into our final determination.

The other significant undertaking of the RB&S Committee was to commission an extensive global scan of leading private equity research currently being conducted within the academic community. World-renowned researchers active in the private equity space were contacted to better understand the specifics of their research and to discuss opportunities to work collaboratively with the ILPA to provide its members with access to this body of work. Over 70 topics were submitted to ILPA for consideration and the RB&S Committee screened the work based on several key attributes. Our intention is to work closely with the finalists in providing access, financial resources and other assistance to facilitate their work. The results of this effort will be presented to members during the Fall members-only conference.

The ILPA has collected member metrics data for the past four years. The organization relies on its members to provide this data so that analysis can be conducted on an aggregated basis. The current 50% response rate is significant, but the goal is to have all members report their investment metrics to allow ILPA to act as the source of aggregated information for the industry.

The ILPA's confidential member compensation survey collects information on LP salaries, bonuses and less tangible incentives used to attract and retain individuals to member organizations.

The information provides a sense of best practices among our membership, and offers peer group benchmarks for various staffing levels. Further work relating to staffing and infrastructure are under consideration.



BEST PRACTICES COMMITTEE REPORT

LINDEL EAKMAN
CHAIR. BEST PRACTICES COMMITTEE

Significant time and attention has been paid to the development, dissemination and adoption of the ILPA Private Equity Principles and the related Standardized Reporting Templates this past year. Establishing the Principles as a set of best practices for private equity investing, and elevating the perception of private equity amongst investment organizations, regulators, and the media has been the goal of the Best Practices Committee for the past two years. Through extensive consultation with industry thought-leaders and by hosting numerous roundtable discussions, the ILPA was able incorporate the opinions of its members, GPs, and industry third-parties into the release of the Private Equity Principles 2.0 in January 2011.

On the heels of the Principles' release was the development and publication of the ILPA Standardized Reporting Templates. The Capital Calls and Distributions Notice template was the first to be made public, followed by the Quarterly Reporting and Annual Reporting Standards. This was a monumental task that involved outreach to over 240 ILPA member organizations, 300 GPs, several industry associations and industry experts.

ILPA OUTREACH TIMELINE

FEBRUARY 2011:

- ILPA hosted over 50 global private equity industry leaders at its annual GP-LP Roundtable
- A method for industry-wide standardized reporting was deemed a priority
- Global leaders articulated the need to source, and ultimately leverage, research that is being conducted around the world related to private equity
- GPs requested that the ILPA host a CFO-LP Roundtable to involve their back-office teams in the process

MARCH 2011:

The Quarterly Reporting Standards were presented to the
 150 ILPA members at the Orlando conference for review and comment

APRIL 2011:

 Webcast Part 1 – ILPA presented the content and theory behind the draft Quarterly Reporting Templates to almost 150 members



ADOPTING STANDARDIZED REPORTING TEMPLATES: It is not only an industry-wide issue but also a significant expense for both GPs and LPs to spend an inordinate amount of time producing and/or reconciling reports on a quarterly basis. LPs are facing pressure to increase transparency and reporting to Boards, Trustees, risk teams and their constituents. In addition, LPs are looking to GPs to improve uniformity in reporting, that in turn will lead to better information and less administration and monitoring. The suite of reporting guidelines developed by the ILPA will help to standardize information in the private equity industry.

ENDORSING THE ILPA PRINCIPLES: A review of the list of organizations that have endorsed the ILPA Private Equity Principles clearly demonstrates their impact on private equity globally. Even more important is the application of the concepts contained therein. By incorporating industry best practices into LPA negotiations and by increasing the dialogue between the general partner and limited partner communities, the Principles facilitate the alignment of interest of all parties.

As a Director of the ILPA's Board and the Chair of the Best Practices Committee, it is a challenge to balance the "practical" against the "necessary" when it comes to developing best practice tools for professionals investing in this asset class. By ensuring the participation of all industry players in our initiatives, it is our goal to continue to produce tools that will be recognized as leading edge and value-add by all players in the industry.

ENDORSEMENT OF THE PRIVATE EQUITY PRINCIPLES BY ORGANIZATION TYPE



MAY 2011:

- Webcast Part 2 Q & A session with 200 ILPA members tackled questions/concerns regarding the Quarterly Reporting Templates
- Hosted ILPA-CFO Roundtable and presentation on the Quarterly Reporting Standards

JUNE 2011:

- Facilitated a complimentary ILPA/Investran webinar The Impact
 of Updated ILPA Reporting Standards for over 600 registrants;
 GPs registered to be notified of the ILPA comment period
- Conducted ILPA-Auditor Roundtable to review the templates and seek feedback on structure and content

AUGUST 6TH – SEPTEMBER 9TH, 2011:

- Comment period on Capital Calls and Distribution Notices
- Comment period on Quarterly Reporting Standards

OCTOBER 6TH, 2011:

• Member update and briefing at the ILPA Annual General Meeting

















The Institutional Limited Partners Association (ILPA) is the global, member-driven organization dedicated to advancing the interests of private equity limited partners through industry-leading education programs, independent research, best practices, networking opportunities and global collaborations.





JOIN THE NETWORK:

т 416.941.9393 г 416.941.9307 E info@ilpa.org w ilpa.org