



FOR IMMEDIATE RELEASE

ILPA Publishes Updated 2011 Private Equity Principles and First Standardized Reporting Industry Template to Help Enhance the Private Equity Asset Class Globally *Updated Principles reflect continued feedback and input from GPs and LPs throughout 2010 and increase focus, clarity and practicality*

Toronto (January 11, 2011)- The Institutional Limited Partners Association, (“ILPA”), a not-for-profit organization committed to serving institutional investors of private equity, today released an updated version of its Private Equity Principles (the “Principles”) and the first of its five recommended Standardized Reporting Templates as part of its continued commitment to drive asset class best practices and support long-term partnerships between Limited Partners (“LPs”) and General Partners (“GPs”).

First published in September 2009 with the aim of providing a set of globally recognized industry guidelines, the initial version of the Principles have successfully received formal endorsement by 140 industry organizations. The updated 2011 Principles maintain the three guiding tenets of “Alignment of Interest”, “Governance” and “Transparency”, while further incorporating feedback solicited throughout 2010 from GPs, LPs and industry third parties to increase focus, clarity, practicality and adoption.

New components in the updated 2011 Principles have been included to allow funds to adopt the guidelines more effectively and include:

- An appendix on Carry Clawback best practice guidelines (given the complexity of this subject)
- Increased clarity and description of the three existing guiding Principles
- Expanded context around the purposes of key guidelines

“Since the Principles were first launched in 2009, communication between LPs and GPs has been enhanced, improvements with respect to alignment of interests have been recognized and GPs have been proactively contributing to the ongoing development of the ILPA best practices,” said Tim Recker, Chairman of the ILPA. “Moving into 2011, alignment of interest, governance and transparency will become even more important to strengthen private equity as an asset class, especially as liquidity returns to the market, investments shift towards global emerging markets where risk exposures increase, and investors become more discerning about the various asset classes post-financial crisis.”



As part of its efforts to generate greater industry efficiencies, improve uniformity and transparency, and reduce expenses in administering and monitoring private equity investments, ILPA has also launched the Capital Call and Distribution Notice Templates – the first of its series of five Standardized Reporting Templates which have been developed in consultation with GPs. Standardized templates for annual and quarterly reporting as well as portfolio metrics are also in development.

“The launch of the first industry-sponsored Standardized Reporting Template in private equity is a significant milestone,” said Joe Dear, Chief Investment Officer at the California Public Employees' Retirement System (CalPERS). “Institutional investors and their constituents will benefit from the additional transparency and consistency that standardized reporting offers, which will help improve risk management and portfolio monitoring, thereby creating a more sustainable asset class and a win-win for GPs and LPs alike.”

Going forward, ILPA will issue further appendices, where relevant, to the updated 2011 Principles to address new topics as industry best practices continue to evolve. Suggestions for such consideration can be submitted by members and/or interested third-parties to the ILPA Best Practices comment site on the ILPA website www.ilpa.org.

John Breen, Head of Funds & Secondaries at the Canada Pension Plan Investment Board, said “While the updated version of the Principles provides latitude for using different ways to achieve common objectives, the overriding spirit of the document is universal. This update is an example of how GPs and LPs have worked together to create appropriate frameworks for best practices which will enhance the long term attractiveness of the private equity asset class. Private equity remains a growing component of our long term global investment strategy and alignment, governance and transparency are critical success factors.”

The ILPA Principles and Standardized Reporting Templates are only a few facets of the work undertaken by ILPA as it highlights the value that comes with having direct accountability from private ownership of a business, not only to the investment industry but to the ultimate beneficiaries of this value creation – the pensioners, charities, educational foundations, employees and companies.

Along with promoting industry best practices, ILPA addresses key issues that impact private equity, including regulatory reform, risk management and the amount of capital circulating in the industry. The ILPA's education platform which includes executive level course curricula enables private equity professionals to stay abreast of key issues impacting the market. The ILPA hosts networking events throughout the year to allow its members the opportunity to connect with their fellow LPs, and it also hosts an annual meeting between GPs and LPs.

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**About the ILPA:**

The Institutional Limited Partners Association is a not-for-profit association committed to serving limited partners investors in the global private equity industry by facilitating value-added communication, enhancing education in the asset class and promoting research and standards in the private equity industry. ILPA has over 240 institutional member organizations that collectively manage approximately \$1 trillion of private equity assets. For a copy of the ILPA Private Equity Principles and a list of endorsing organizations, please visit www.ilpa.org or contact Kathy Jeramaz-Larson.

About the ILPA Private Equity Principles:

First published in September 2009, the ILPA Private Equity Principles outline best practices with respect to establishing strong governance, appropriate transparency and the alignment of interests between LPs and GPs. Since 2009, the ILPA has surveyed participants in the private equity industry, including both LPs and GPs, and found that most LPs use the Principles as a framework to help assess GPs and believe that incorporating the Principles during discussions with GPs will help align the interests between the two parties. Additionally, a majority of responding GPs believe the Principles will enhance GP/LP relations and provide long-term benefits to the private equity asset class.

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