



ILPA ISSUES GUIDANCE FOR GP-LED SECONDARY TRANSACTIONS

Considerations and Best Practices Offered for Fund Restructuring Process

April 11, 2019 – (Washington, DC and Toronto, Ontario) – The Institutional Limited Partners Association (ILPA) today released guidance regarding the practice of general partner (GP)-led secondary fund restructurings. The guidance was issued in response to the increasing prevalence of such transactions and the bespoke nature of each situation. The intent of the guidance is to offer specific parameters that allow for an efficient and transparent process, encourage productive dialogue among stakeholders and foster better decision making by limited partners.

“The GP-led secondary process can offer significant benefits to both general and limited partners in terms of portfolio management, liquidity, and value creation towards the end of the life of a fund,” said Steve Nelson, CEO, ILPA. “As these strategies grow in popularity, establishing a common set of expectations related to communications, timelines, disclosures and access to information is critical. This guidance seeks to provide those recommendations in a manner that creates alignment between GPs and LPs, and allows limited partners to act in the best interest of their beneficiaries.”

The ILPA guidance, which was developed with input from LPs, GPs and industry advisers, includes recommendations around the GP-led process that address:

- Limited Partner Engagement and the Role of the LP Advisory Committee
- Adequate Disclosures of Information
- Timing and Structure of a Well-Run Process
- Allocation of Fees and Expenses
- The Role of Third Party Advisers
- Steps for LPs to Take When Engaging in a GP-led Process

Emphasis throughout the guidance centers on early engagement of limited partners in the process, symmetry of information disclosure among all stakeholders, and an adequate timeline for LPs to make an election.

The full document, “GP-Led Secondary Fund Restructurings: Considerations for Limited and General Partners” [can be found here](#). The guidance will also be included as part of the ILPA Principles 3.0 document, set for release later in the second quarter of 2019. Feedback on the guidance can be directed to principles@ilpa.org.

About ILPA

With more than 500 member institutions representing over \$2 trillion USD of private equity assets under management, the Institutional Limited Partners Association (ILPA) is the only global organization dedicated exclusively to advancing the interests of LPs and their beneficiaries

through best-in-class education, content, advocacy and networking. For more information, please visit ILPA.org.

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