



## ILPA PUBLISHES MODEL LIMITED PARTNERSHIP AGREEMENT TO STRENGTHEN LP-GP ALIGNMENT IN THE PRIVATE EQUITY INDUSTRY

### *First-Ever Legal Resource for PE Industry Offers Benchmark Language to Streamline Fund Negotiations*

**October 30, 2019 – (Washington, DC)** – The Institutional Limited Partners Association (ILPA) today released the first publicly available Model Limited Partnership Agreement (LPA) for the private equity industry. The legal template, which is available for complimentary, industry-wide use, conforms to ILPA Principles 3.0 and sets a new standard for alignment of interests between general (GPs) and limited partners (LPs). The Model LPA also addresses a persistent and shared need of GPs and LPs to reduce the complexity, cost and resources required to negotiate the terms of investment in private equity funds.

“The industry has to date lacked freely accessible model documents that can serve as a baseline for reasonable legal terms and conditions associated with private equity funds,” said Steve Nelson, CEO, ILPA. “Consequently, the hundreds of LPAs developed each year are the product of bespoke efforts and one-off negotiations that come with excessive cost to both GPs and LPs. We encourage all industry stakeholders to review the ILPA Model LPA and use it as a basis for a more effective process, with the confidence that the provisions therein are supported by the LP community.”

For GPs, the Model LPA represents a foundational component of an LP-friendly fundraise, recommending legal language deemed as fair and reasonable by the LP community. The Model LPA will be particularly helpful for new managers who wish to follow best practices and attract LP capital, while minimizing associated legal costs. GPs can also leverage the Model LPA to minimize the number and scope of side letter agreements with their LPs.

The ILPA Model LPA is a comprehensive, Delaware-law based “whole of fund” waterfall LPA that can be used in its entirety to structure investments into a traditional private equity buyout fund. Sections of the document can also potentially be inserted into existing LPAs upon agreement of the parties. Additional versions of the Model LPA, including one based on a “deal-by-deal” waterfall, are planned for the future.

The Model LPA was developed by a group of approximately 20 internal and external counsel that represent both the GP and LP community in the fund formation process. A consultation draft was released in the fall of 2018 to the ILPA membership and targeted industry stakeholder groups for comment; comments were incorporated in the fall of 2019. The full template is available for download on [the ILPA website](https://www.ilpa.org). Feedback can be directed to Chris Hayes, Senior Policy Counsel for ILPA, at [chayes@ilpa.org](mailto:chayes@ilpa.org).

#### **About ILPA**

With more than 525 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](https://www.ilpa.org).

**Media Contact:**  
Emily Mendell

Managing Director, ILPA

[emendell@ilpa.org](mailto:emendell@ilpa.org)

610-565-4692