



ILPA PUBLISHES UPDATES TO AND TERM SHEET COVERING ILPA “WHOLE OF FUND” MODEL LPA

Industry input helps refine “Whole of Fund” Model LPA to improve transparency, governance and alignment of interests ahead of “Deal-by-Deal” Model LPA release

July 9, 2020 – (Washington, DC) – The Institutional Limited Partners Association (ILPA) today released updates to its [Model Limited Partnership Agreement \(LPA\)](#) originally released in October 2019 along with a [Term Sheet](#) summarizing the terms in the agreement. This agreement includes a “Whole of Fund” (WOF) waterfall structure. After receiving such a positive market response to our initial release in the fall, ILPA embarked upon an effort to create a second Model LPA with a “Deal by Deal” (DBD) waterfall structure, which will be released in coming weeks. These updates to the WOF waterfall agreement were a result of both industry feedback, and the need to align some of the definitional terms of the WOF agreement with the DBD agreement.

Both the WOF template and the DBD version to be released in coming weeks are complimentary and available for industry-wide use. The model documents reflect ILPA’s Principles 3.0 and look to set a new standard for alignment of interests between general (GPs) and limited partners (LPs). The Model LPAs also address 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. ILPA has crafted a DBD version to provide more flexibility for fund managers seeking to adopt the document, in particular emerging managers.

The updates to the existing Model LPA WOF template are intended to further improve transparency, governance and alignment of interests by generally providing additional clarity on several issues. The associated Term Sheet will be a helpful, comprehensive summary of the various terms in the ILPA WOF Template, particularly useful to non-legal professionals, and something sought by industry participants. Detailed changes to the original Model LPA have been outlined on pages 3 and 4 of the [WOF Model LPA overview](#).

“We are pleased at the strong response the initial ILPA Model LPA received in the market last fall, and we continue to encourage GPs and LPs to utilize these documents in their investment negotiations. The updates to our original Model LPA template aim to address and provide clarity on issues raised from our original version – these changes are another step in the right direction to improve transparency and governance in private equity funds,” Noted ILPA CEO Steve Nelson. “We look forward to providing another useful tool, particularly for the Emerging Manager community, in our ‘Deal-by-Deal’ version to be released imminently.”

The Model LPA templates were developed and further refined by a group of approximately 20 internal and external counsel that represent both the GP and LP community in the fund formation process. The updated [WOF template Model LPA](#) is available for download on the ILPA website. For more information on this document and the upcoming release of the “Deal-by-Deal” version, please contact Chris Hayes, Senior Policy Counsel for ILPA, at chayes@ilpa.org.

About ILPA

With more than 550 member institutions representing over USD 2 trillion 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://ilpa.org).

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