



ILPA Quarterly Reporting Standards Initiative (QRSI)

Update on QRSI and view into Public Comment Period

September 24, 2024

ILPA Update

Get the Most Out of Your Membership With ILPA's Education, Events and Resources

ILPA Update: Last Chance for LP Registration



- Registration for the **2024 ILPA Summit** closes next week on **October 4** for LPs
- Private equity industry's premier networking event; GP registration sold out!
- Everything in one place
 - High-quality, curated meetings
 - Compelling workshops & sessions
 - Exceptional opportunities for peer connection
- **Insurance Network Dinner @ ILPA Summit:** Nov. 11
- **Family Office Network Dinner @ ILPA Summit:** Nov. 11
- **Diversity in Action Breakfast for signatories @ ILPA Summit featuring James Rhee, Author of *Red Helicopter*:** Nov. 12



Visit ilpa.org or email summit@ilpa.org to register!

ILPA Update: What Else is Happening

OTHER UPCOMING EVENTS FOR ILPA MEMBER LPs

- **Montreal Member Gathering:** Oct. 9
- **ILPA European LP Legal Community Gathering:** Oct. 22

EDUCATION

ILPA Institute offerings available worldwide

- This fall in San Francisco, Melbourne, Virtual
- **2025 Calendar: Announced SOON!**

ENGAGEMENT

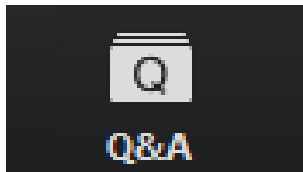
- **Updated ESG Assessment Framework:** Now Available
- **NAV-Based Facilities Guidance for LPs and GPs:** Now Available

Visit ilpa.org for more information

Audience Participation



Polling: Be sure to **enable pop-ups to participate!** We'll share and respond to results in real time during the webcast.



Online Q&A Box: at the bottom of your screen is a Q&A Box. Ask questions, comment on questions from others and **upvote** the questions you are most interested in hearing answered.

Today's Speakers



Anne Anquillare, CFA
Head of Fund Services
North America, CSC



Aaron Daley
Assistant Senior
Investment Officer,
Washington State
Investment Board



Rohan Ranadive
Managing Director,
Finance Operations, Vista
Equity Partners



Neal Prunier
Managing Director,
Industry Affairs, ILPA

Agenda

ILPA QRSI Overview

Template Specific Overview

Structural

Fees + Expenses Workstream

Performance + Cash Flows Workstream

Next Steps

Questions

Agenda

- ILPA QRSI Overview

 - Template Specific Overview

 - Structural

 - Fees + Expenses Workstream

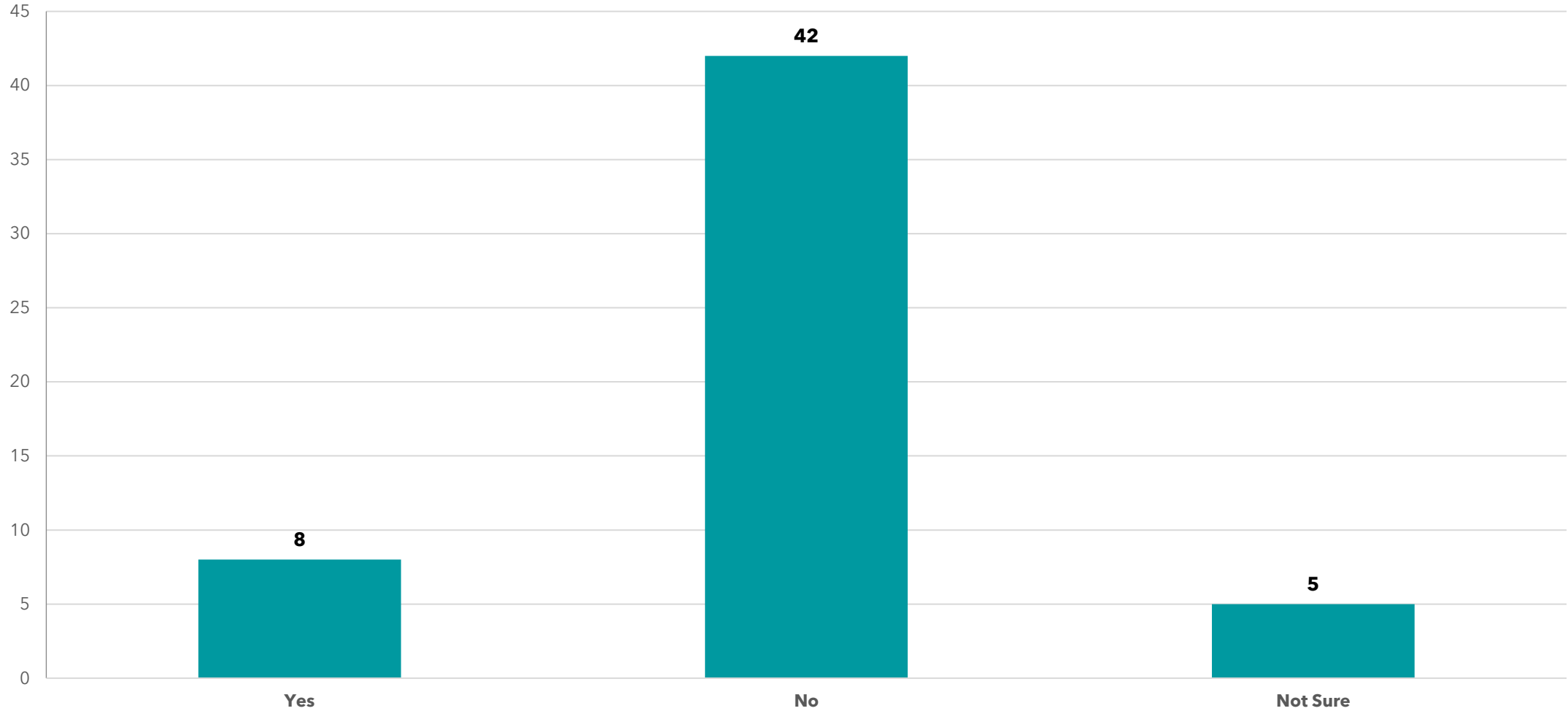
 - Performance + Cash Flows Workstream

 - Next Steps

 - Questions

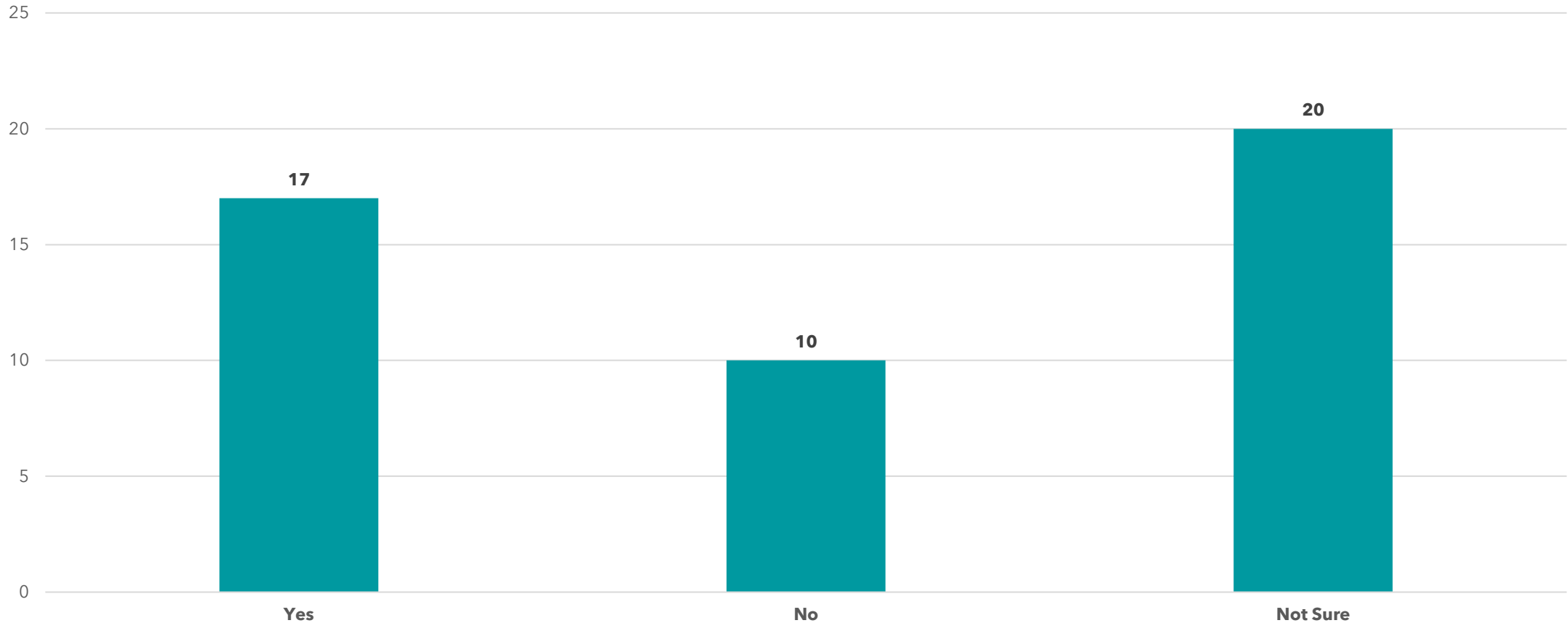


Polling Question #: Have you submitted feedback in the ILPA QRSI comment period yet?





Polling Question #2: For those who have not submitted feedback in the ILPA QRSI comment period yet - Do you anticipate providing feedback prior to the Friday, October 11th deadline?



ILPA QRSI - Overview



Where to Find Materials

QRSI Landing Page ([Here](#))

Industry Guidance > Templates, Standards & Model Documents > ILPA Quarterly Reporting Standards Initiative (QRSI)

Draft ILPA Reporting Template (Post-PFA Version)

Share your perspectives on new and updated elements of the template, from the purposefully expanded list of partnership expenses to the streamlined NAV-roll design.

[View the Template](#) →

[Provide Your Feedback](#) →

[ILPA Reporting Template](#)

[View the Template](#)

[Provide Your Feedback](#)

Draft ILPA Performance Template (Post-PFA Version)

Evaluate the newly created template and provide feedback on the methodology behind fund-level IRR and MOIC/TVPI presentations as well as proposed optionality for reporting performance at the portfolio investment level.

[View the Template](#) →

[Provide Your Feedback](#) →

[ILPA Performance Template](#)

[View the Template](#)

[Provide Your Feedback](#)

ILPA Webcasts ([Here](#))

Events > Webcasts

[Upcoming Webcasts \(\[Here\]\(#\)\)](#)

[ILPA QRSI Q+A
Webcast \(Oct. 3\)](#)

[Past Webcasts \(\[Here\]\(#\)\)](#)

[ILPA QRSI Webcast
\(this webcast\)](#)

ILPA QRSI - Overview



The ILPA Quarterly Reporting Standards Initiative is a broad-based and collaborative industry effort to:

- 1 Deliver the **next evolution** of ILPA quarterly reporting standards
- 2 Standardize key quarterly data to create greater efficiency along with enhanced transparency - showcase that the industry can work together to find meaningful solutions

Critical Results

The project has delivered against an ambitious scope within record time and record engagement to date:

- **Fees + Expenses** - significantly improving the ILPA Reporting Template. First update since 2016, used today by ~50% of funds in the industry
- **Performance + Cash Flows** - standardizing performance methodology down to cash flow/transaction types. First time something like this will exist in full for PE

Key Things to Know

- While it was connected to SEC's Private Fund Advisers Rule (PFA), the effort continues even though the rule was vacated - with a shift to a full adoption-oriented approach
- Purposefully designed for global adoption - catalyzed by, but not conditioned on PFA *alone*
- Keep in focus existing standards and connection to other regulatory requirements (i.e. SEC Marketing Rule)

ILPA QRSI - Who Is Involved



Broad spectrum of organizations, some across multiple groups



LPs	
AP6	PSERS+
CalPERS+	SWIB+
CDPO+	Temasek
M&G	Texas TRS+
MassPrim	WSIB

GPs	
GP 1*	GCM Grosvenor
GP 2*	Oaktree
GP 3+*	Reverence Capital
Asia Alts+	Searchlight+
Certares	Vista+

Admins, Consultants	
ACA	CSC+
Albourne	Gen II
Cambridge	SEI
Citco	SS+C
Colmore	State Street+

+ Steering Committee representative

* Organization we are not able to name publicly

ILPA QRSI - Industry Engagement Strategy



Satellite Groups, Surveys and Supporting Communications

450+ Industry Professionals Closely Involved

- **10 Satellite Groups**, consisting of organizations across the industry:

LPs	Consultants
GPs	Law Firms
Fund Admins	Industry Groups
Fund of Funds	Emerging Managers
Tech Providers	Larger GPs

- SG calls monthly since April with ~120 attendees each month with additional feedback surveys provided to capture sentiment as progress unfolded

More to Come!

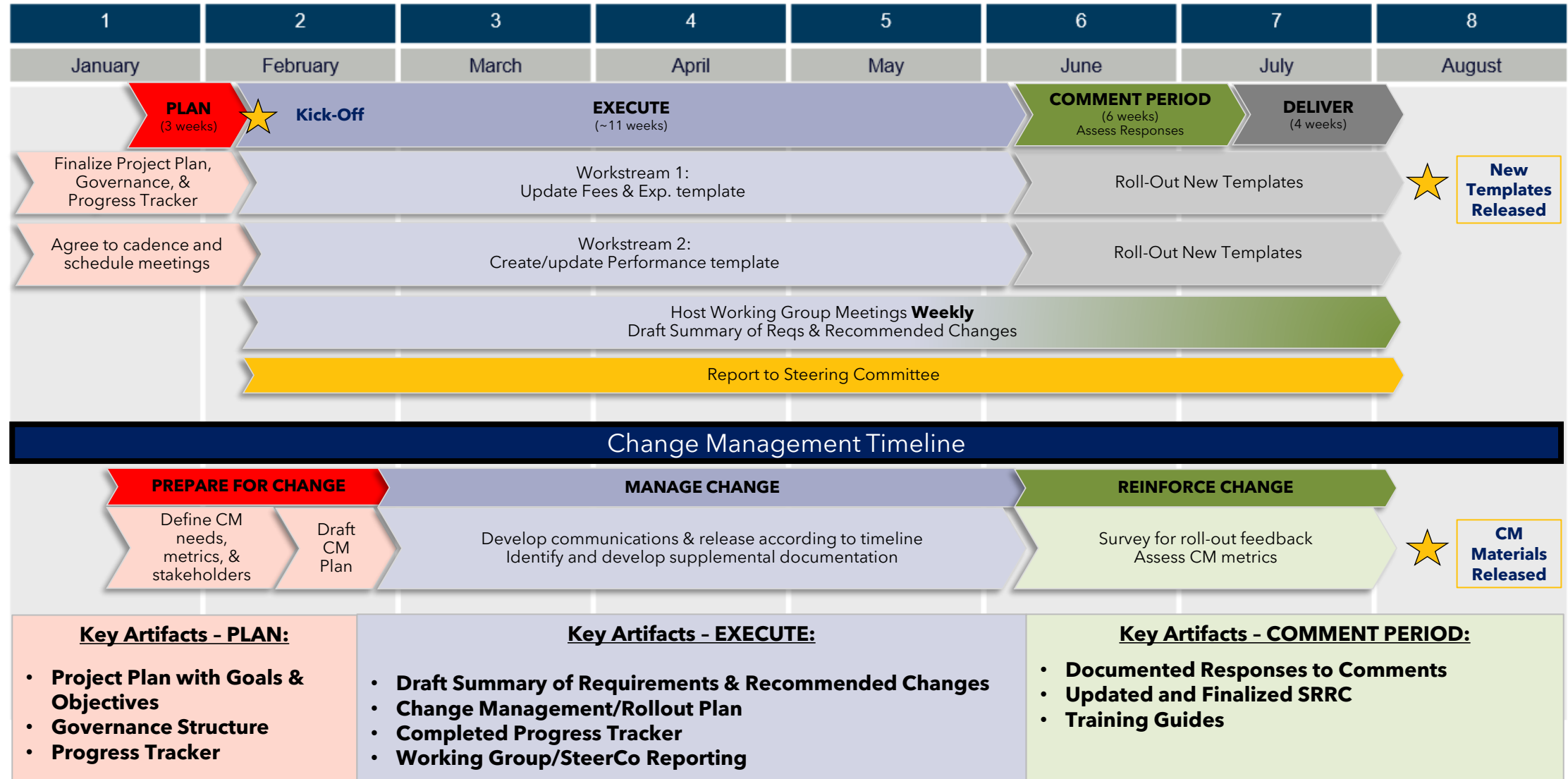
- Get involved with the ILPA QRSI - [SG sign-up form](#)
- SG meetings slated monthly through the release of the templates - and more engagement in 2025
- [ILPA QRS Initiative - Q+A Session for Industry \(Oct. 3, 2024\)](#)



Thousands of Touchpoints with Industry

- Videos and resources for website, LinkedIn
- Regular email and newsletter cadence
- Numerous press interviews and public appearances at industry events, webcasts

ILPA QRSI - Timeline (Original)



ILPA QRSI - Path Forward With Relaunch



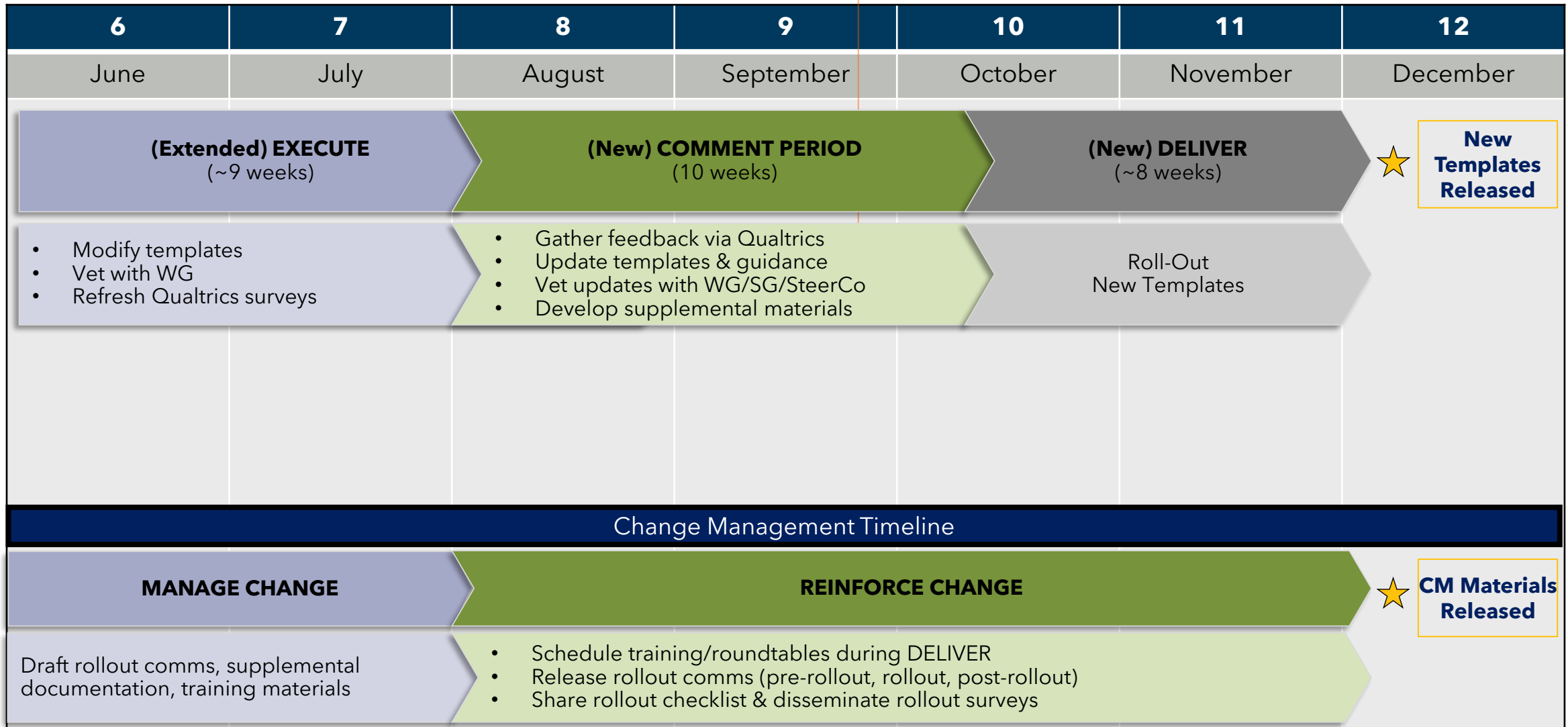
Steps We Took Post PFA Vacated

New Objective	<p>On June 5, the U.S. Fifth Circuit Court of Appeals issued a decision vacating the U.S. SEC's Private Fund Advisers (PFA) rules, including the Quarterly Statements rule.</p> <p>We will drive forward with the QRS initiative as a bottom-up, adoption-oriented project, with an emphasis on standardization and industry best practices.</p>
CPT Efforts Post-Ruling	<ul style="list-style-type: none">• Reviewed Comment Letters and past meeting notes for all items included solely based on the (former) SEC requirements• ID'ed all the structural questions as well as specific line-item data points to review• Created mocked-up templates with recommend updates/open questions to test with WG
QRSI Efforts Going Forward	<ol style="list-style-type: none">1. Reoriented efforts away from SEC requirements to focus on the most important elements for the industry:<ul style="list-style-type: none">• For example: removing the Portfolio Company by Portfolio Company look-through of portfolio investment compensation2. Addressing "structural" questions related to:<ul style="list-style-type: none">• "Grandfathering" of Funds• Implementation Timing• Delivery Post Quarter End3. Leveraging the work done to launch our comment period in June as the foundation for the new comment period in August ahead of a new targeted implementation date of Q1 2026.

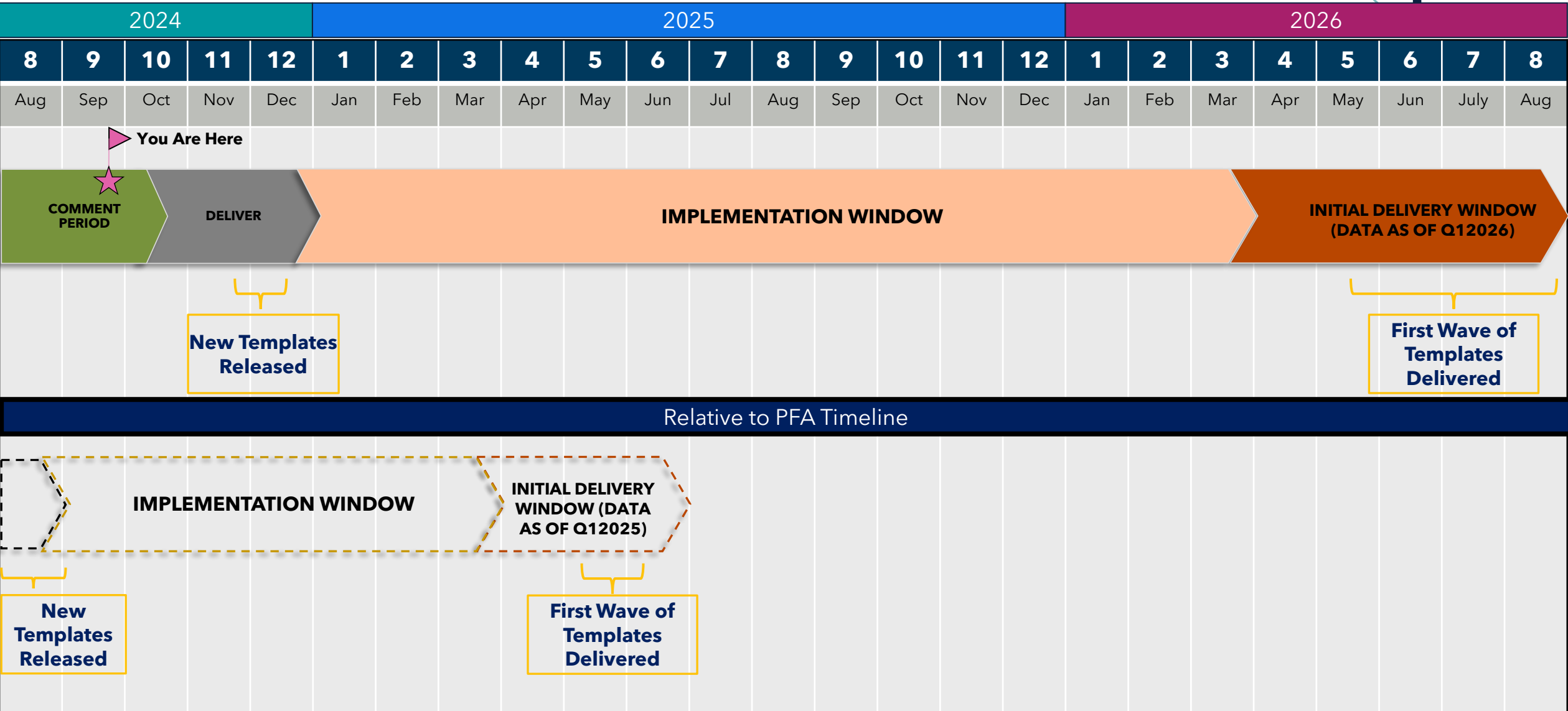
ILPA QRSI - Timeline (Relaunch)



▶ You Are Here

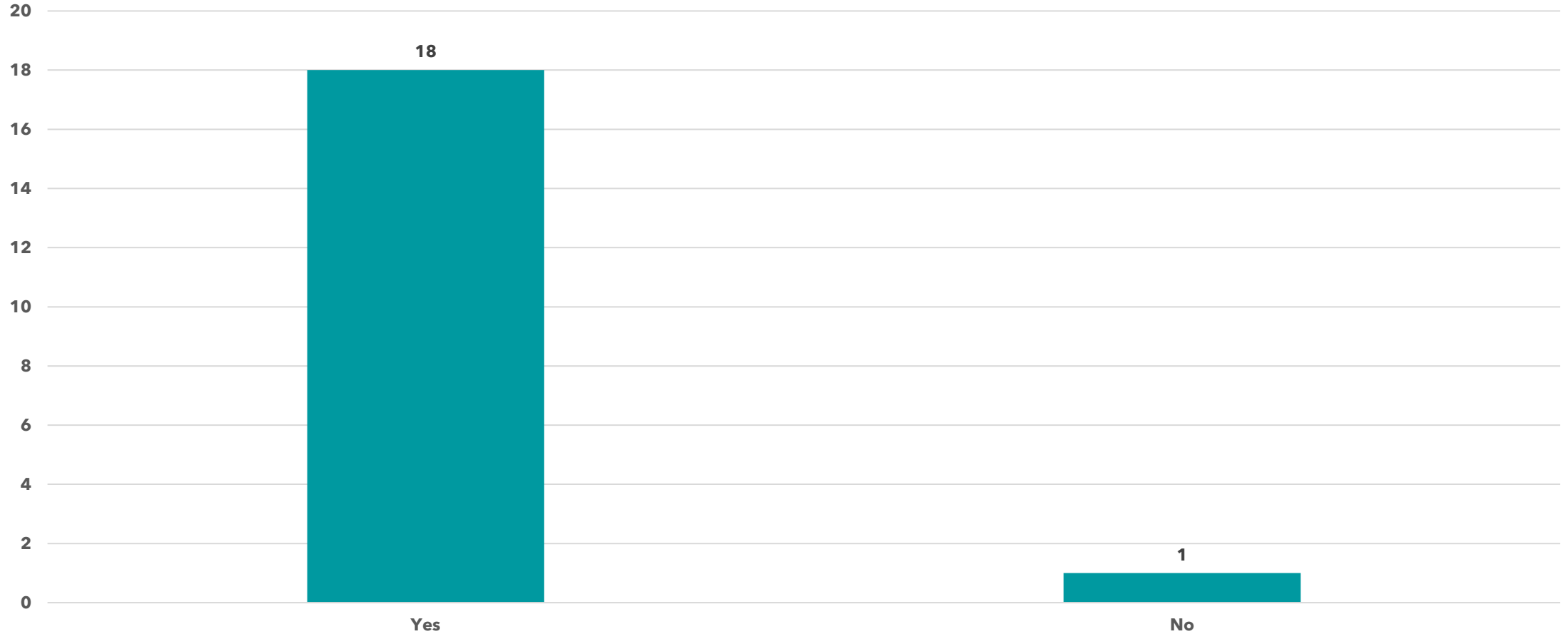


ILPA QRSI - Timeline (Look Ahead)

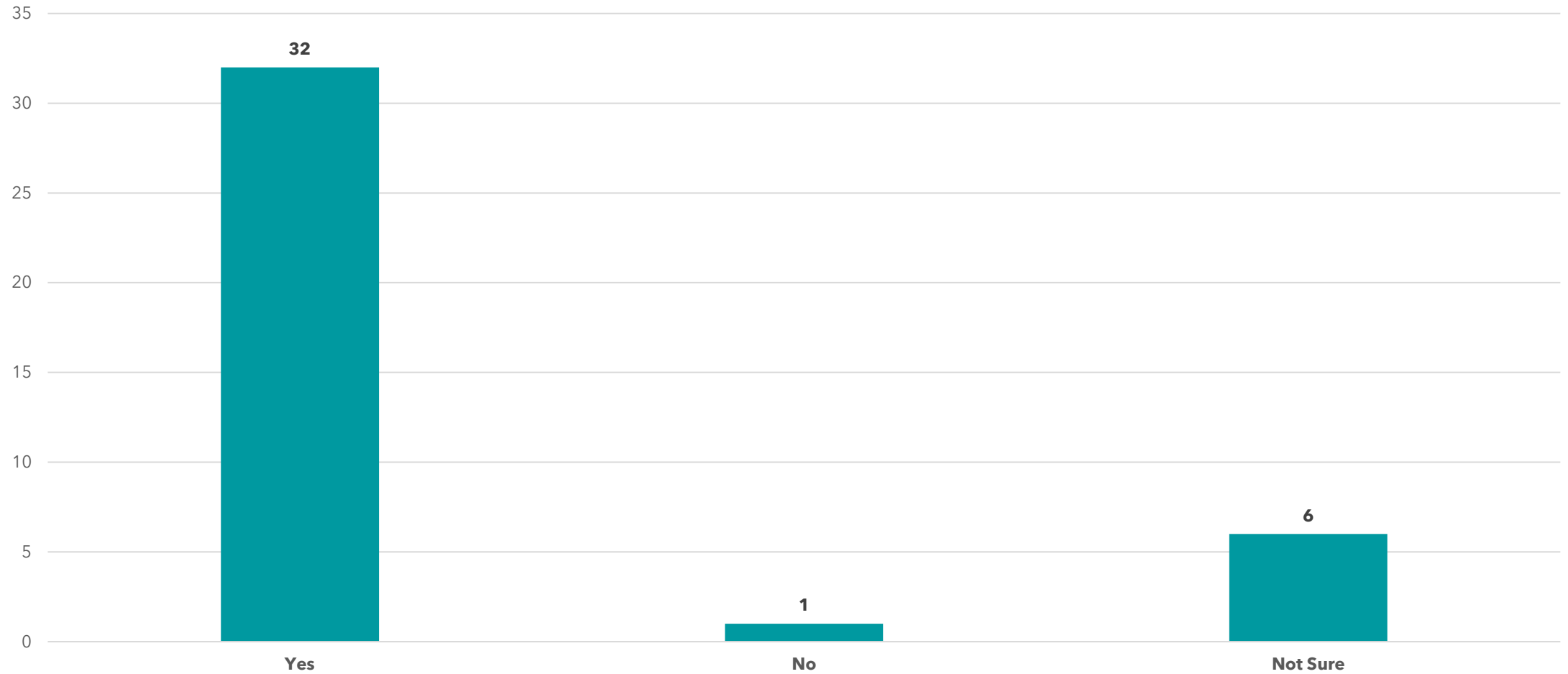




Polling Question #3: [For LPs] Would you like to receive more transparency into the fees/expenses charged by GPs and have standardized performance/cash flow data without needing to push in negotiations for this?



 **Polling Question #4: [For GPs] Would you be willing to provide additional transparency to LPs each quarter if it resulted in a reduction in ad-hoc requests?**



Agenda

ILPA QRSI Overview

Template Specific Overview

➤ Structural

Fees + Expenses Workstream

Performance + Cash Flows Workstream

Next Steps

Questions

Structural Questions - Comment Period Surveys



Comment Period Topics for Feedback (Relative to **Comment Period Template Drafts**)

Description	Former SEC Requirement (During PFA)
Requirements on active funds to provide the templates to LPs (i.e. "grandfathering" of older funds)	Any active fund is required to provide templates (even those 15+ years old with 1-2 remaining assets)

Both Surveys

"Grandfathering" of Older Funds: Under the PFA Rule, all active funds would be required to provide the new template. ILPA does not intend to do that. What is a reasonable cutoff period for requiring active funds to begin using the new template?

Funds
1-2
years
old

Funds
up to 5
years
old

Funds still
in their
investment
period

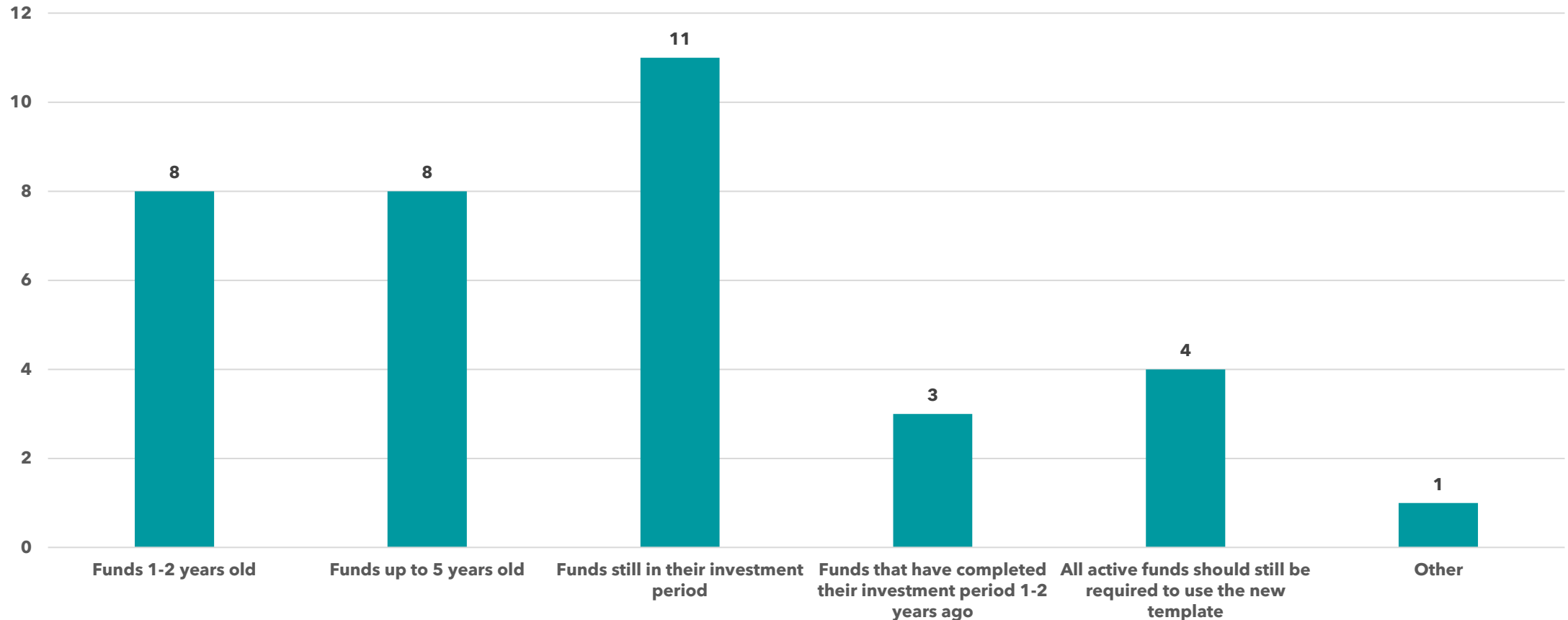
Funds that
have
completed
their
investment
period 1-2
years ago

All
active
funds
should
still be
required
to use
the new
template

Other
(please
specify
below)



Polling Question #5: “Grandfathering” of Older Funds: Under the PFA Rule, all active funds would be required to provide the new template. ILPA does not intend to do that. What is a reasonable cutoff period for requiring active funds to begin using the new template?



Structural Questions - Comment Period Surveys



Comment Period Topics for Feedback (Relative to **Comment Period Template Drafts**)

Description	Former SEC Requirement (During PFA)
Requirements on how long after a new fund launches to begin reporting	Fund that has two full fiscal quarters of operating results

1

2

When New Funds (Post-Launch) Should Start Reporting: Should reporting commence after a set number of quarters of operating results (for example: after 4 quarters of operating results) or after a certain milestone has been passed (for example: the fund's final close)?

After a set number of quarters of operating results

After a certain milestone has been passed

How long after launching a fund should reporting be provided? As additional context, the SEC was seeking to require that reporting begin to be provided after 2 full fiscal quarters of operating results.

After 2 full fiscal quarters of operating results

After 3 full fiscal quarters of operating results

After 4 full fiscal quarters of operating results

Other (please specify below)

When New Funds (Post-Launch) Should Start Reporting: Should reporting commence after a set number of quarters of operating results (for example: after 4 quarters of operating results) or after a certain milestone has been passed (for example: the fund's final close)?

After a set number of quarters of operating results

After a certain milestone has been passed

After which milestone should reporting be provided?

After sending the first Capital Call

1 year after sending the first Capital Call

Final Close

Other (please specify below)

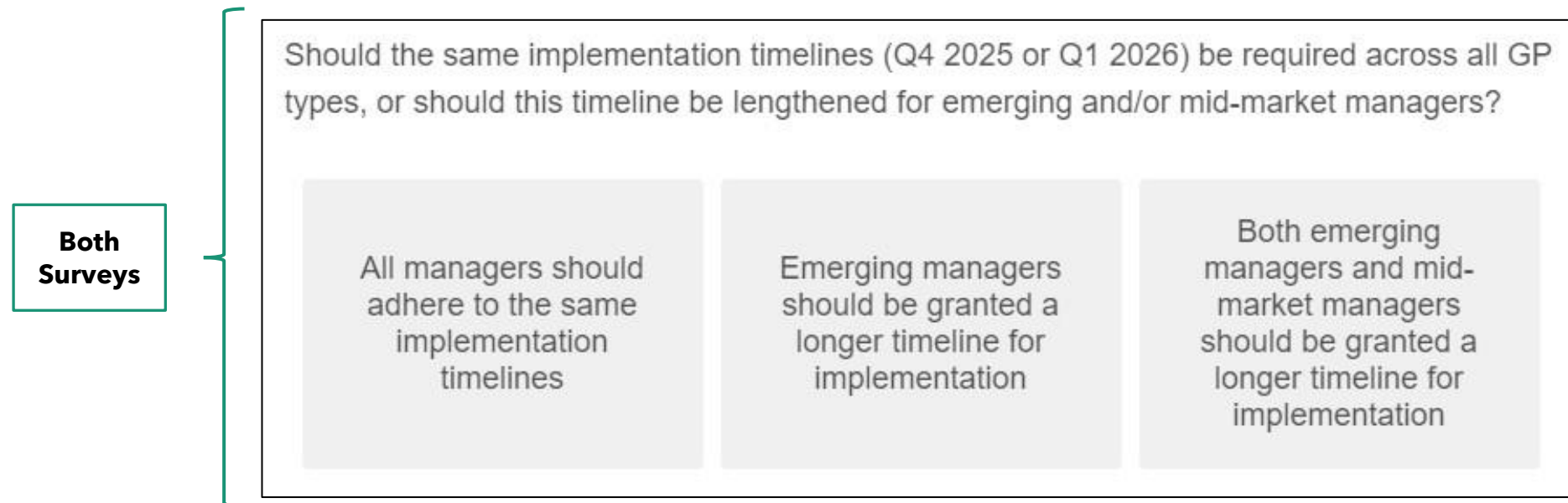
PERF Survey

Structural Questions - Comment Period Surveys



Comment Period Topics for Feedback (Relative to **Comment Period Template Drafts**)

Description	Former SEC Requirement (During PFA)
Any allowances for differing reporting for Emerging Managers and/or Mid-Markets	Consistent requirements across all registered (non-exempt) investment advisers



Structural - Updates by Template



Summary of Proposed Changes (Relative to **Comment Period Template Drafts**)

Template Element	Description	Template	SEC Required (During PFA)	ILPA Approach (Post PFA)
Account Type	Requirements for orientation of reporting at Fund Level vs. LP-Level (and GP-Level)	Reporting Template	Fund Level	LP-Level + Fund Level + GP-Level (<i>same as current ILPA Reporting Template</i>)
		Performance Template	Fund Level	Fund Level
Definition of Fund	Requirements for inclusion of "similar pool of assets" in reporting on Fund Level (i.e., what type of consolidated reporting should be provided)	Reporting Template	<ul style="list-style-type: none"> Fund Level would include fee and non-fee paying investors (i.e. would include GP Allocation in Fund Level) SEC making push for Fund Level reporting to present consolidated reporting for Feeder Funds and other "similar pool of assets" (such as co-investments or Separate Accounts) 	<ul style="list-style-type: none"> Fund Level would include fee and non-fee paying investors (i.e. would include GP Allocation in Fund Level) Fund Level reporting should match that of the financial statements and not be unnecessarily consolidated in such a way that would cause confusion
		Performance Template	<ul style="list-style-type: none"> Fund Level would include fee paying investors (i.e. exclude non-fee paying investors) SEC making push for Fund Level reporting to present consolidated reporting for Feeder Funds and other "similar pool of assets" (such as co-investments or Separate Accounts) 	<ul style="list-style-type: none"> Fund Level would include fee paying investors (i.e. exclude non-fee paying investors) Fund Level reporting should match that of the financial statements and not be unnecessarily consolidated in such a way that would cause confusion
Periodicity	Requirements for interval of reporting that should be provided as part of the template	Reporting Template	QTD	QTD + YTD + ITD (with no expectation of backfilling YTD + ITD on current funds) (<i>same as current ILPA Reporting Template</i>)
		Performance Template	ITD	ITD

Agenda

ILPA QRSI Overview

Template Specific Overview

Structural

➤ [Fees + Expenses Workstream](#)

Performance + Cash Flows Workstream

Next Steps

Questions



ILPA QRSI - Fees + Expenses

Fund Table - View Across Line-Item Level, Account and Periodicity

Compared to Reporting Template

Greater required detail for before and after the application of any offsets, rebates, or waivers within the levels of **3** fees/expenses allocated to or paid by the fund (line-item), **4** compensation, fees, and other amounts allocated or paid to the investment adviser/related persons by the fund (line-item), and **5** offsets/rebates carried forward with **less required detail** across both **1** account level (fund-level) and **2** periodicity (QTD)

Focus of efforts:

- Identify exhaustive (without being too exhaustive) and mutually exclusive line-item list across **3** fees/expenses paid by the fund and **4** compensation, fees, and other amounts paid to the investment adviser/related persons by the fund
 - For example - Bank Fees split up to separately capture Finance Facilities Fees
- Structure that allows **required 1** account level and **2** periodicity information to be provided alongside **recommended***

Best Practices Fund II, L.P.	QTD (Oct-15 - Dec-15)	YTD (Jan-15 - Dec-15)	Since Inception (Feb-07 - Dec-15)	QTD (Oct-15 - Dec-15)	YTD (Jan-15 - Dec-15)	Since Inception (Feb-07 - Dec-15)	QTD (Oct-15 - Dec-15)	YTD (Jan-15 - Dec-15)	Since Inception (Feb-07 - Dec-15)
A. Capital Account Statement for LP #5									
A.1 NAV Reconciliation and Summary of Fees, Expenses & Incentive Allocation									
	LP #5's Allocation of Total Fund			Total Fund (incl. GP Allocation)			GP's Allocation of Total Fund		
Beginning NAV - Net of Incentive Allocation	\$45,067,000	\$38,196,000	\$0	\$2,495,281,787	\$2,163,081,300	\$0	\$339,194,377	\$276,104,050	\$0
Contributions - Cash & Non-Cash	0	5,000,000	35,000,000	0	250,375,000	1,752,625,000	0	375,000	2,625,000
Distributions - Cash & Non-Cash (input positive values)	1,250,000	5,000,000	19,000,000	62,593,750	250,375,000	1,452,175,000	2,593,750	12,875,000	77,175,000
Total Cash / Non-Cash Flows (contributions, less distributions)	(1,250,000)	0	16,000,000	(62,593,750)	0	300,450,000	(2,593,750)	(12,500,000)	(74,550,000)
Net Operating Income (Expense):									
(Management Fees - Gross of Offsets, Waivers & Rebates):	(187,500)	(750,000)	(6,625,000)	(9,375,000)	(37,500,000)	(331,250,000)	0	0	0
Management Fee Rebate	0	0	0	0	0	0	0	0	0
(Partnership Expenses - Total):	(48,000)	(154,780)	(548,429)	(2,328,750)	(4,985,053)	(25,072,055)	0	0	0
(Partnership Expenses - Accounting, Administration & IT)	(1,000)	(2,300)	(27,000)	(50,000)	(128,000)	(1,350,000)	0	0	0
(Partnership Expenses - Audit & Tax Preparatory)	(2,000)	(5,000)	(8,000)	(100,000)	(250,000)	(2,600,000)	0	0	0
(Partnership Expenses - Bank Fees)	0	0	0	0	0	0	0	0	0
(Partnership Expenses - Custody Fees)	(12,500)	(27,500)	(55,000)	(550,000)	(695,000)	(2,900,000)	0	0	0
(Partnership Expenses - Due Diligence)	(20,000)	(50,000)	(95,000)	(1,000,000)	(1,250,999)	(2,555,000)	0	0	0
(Partnership Expenses - Legal)	0	(37,300)	(250,000)	0	(1,875,000)	(12,500,000)	0	0	0
(Partnership Expenses - Organization Costs)	(10,000)	(25,000)	(50,000)	(500,750)	(628,000)	(2,522,500)	0	0	0
(Partnership Expenses - Other Travel & Entertainment)	(2,500)	(7,005)	(12,444)	(128,000)	(147,554)	(599,555)	0	0	0
(Partnership Expenses - Other*)	0	(275)	(985)	0	(10,500)	(45,000)	0	0	0
Total Offsets to Fees & Expenses (applied during period):	82,600	346,500	1,538,521	4,140,600	19,227,400	82,424,249	0	0	0
Offset Categories	% Offset to LP #5								
Advisory Fee Offset	80%	16,000	72,000	185,007	500,000	2,000,000	9,062,500	0	0
Broken Deal Fee Offset	80%	8,000	32,000	137,007	320,000	1,600,000	8,000,000	0	0
Transaction & Deal Fee Offset	80%	4,000	12,000	129,007	390,000	1,400,000	5,968,749	0	0
Directors Fee Offset	100%	600	2,300	37,500	30,000	875,000	6,875,000	0	0
Monitoring Fee Offset	100%	30,000	135,000	675,000	1,500,000	6,900,000	34,000,000	0	0
Capital Markets Fee Offset	100%	15,000	68,000	335,000	750,000	3,450,000	16,500,000	0	0
Organization Cost Offset	80%	8,000	20,000	40,000	400,600	502,400	2,018,000	0	0
Placement Fee Offset	100%	0	0	0	0	0	0	0	0
Other Offset*	80%	0	0	0	0	0	0	0	0
Reconciliation for Unapplied Offset Balance (Roll-forward)									
Unapplied Offset Balance (Roll-forward) - Beginning Balance	1,000	5,000	0	250,000	2,500,000	0	0	0	0
Plus: Total Offsets to Fees & Expenses (recognized during period)	81,600	341,500	1,538,521	3,890,600	16,727,400	82,424,249	0	0	0
Less: Total Offsets to Fees & Expenses (applied during period)	82,600	346,500	1,538,521	4,140,600	19,227,400	82,424,249	0	0	0
Unapplied Offset Balance (Roll-forward) - Ending Balance	0	0	0	0	0	0	0	0	0
(Total Management Fees & Partnership Expenses, Net of Offsets & Rebates, Gross of Fee Waiver)	(152,900)	(558,280)	(5,634,908)	(7,563,150)	(23,257,653)	(273,897,806)	0	0	0
Fee Waiver	0	7,500	25,000	0	375,000	1,250,000	0	0	0
Interest Income	500	1,000	10,000	25,038	50,075	500,750	38	75	750
Dividend Income	10,000	32,380	233,508	500,750	2,503,750	17,030,000	750	3,750	30,000
(Interest Expense)	(2,000)	(8,000)	(40,000)	(100,150)	(400,600)	(2,003,000)	(150)	(600)	(3,000)
Other Income/(Expense)*	1,000	3,000	20,000	50,075	150,225	1,001,500	75	225	1,500
Total Net Operating Income / (Expense)	(143,400)	(522,400)	(5,386,400)	(7,087,438)	(20,579,203)	(256,118,556)	713	3,450	29,250
(Placement Fees)	0	0	(40,000)	0	(2,000,000)	0	0	0	0
Realized Gain / (Loss)	1,000,000	3,000,000	15,100,000	50,075,000	145,392,253	887,937,906	2,575,000	12,725,000	175,728,250
Change in Unrealized Gain / (Loss)	1,000,000	5,000,000	20,000,000	62,593,750	250,375,000	1,608,000,000	12,531,160	75,375,000	250,500,000
Ending NAV - Net of Incentive Allocation	\$45,673,600	\$45,673,600	\$45,673,600	\$2,538,269,350	\$2,538,269,350	\$2,538,269,350	\$351,707,500	\$351,707,500	\$351,707,500
Reconciliation for Accrued Incentive Allocation									
Accrued Incentive Allocation - Starting Period Balance	(4,750,000)	(3,750,000)	0	0	0	0	337,500,000	275,000,000	0
Incentive Allocation - Paid During the Period	50,000	250,000	1,250,000	0	0	0	(2,500,000)	(12,500,000)	(75,000,000)
Accrued Incentive Allocation - Periodic Change	(300,000)	(1,500,000)	(6,250,000)	0	0	0	15,000,000	87,500,000	425,000,000
Accrued Incentive Allocation - Ending Period Balance	(5,000,000)	(5,000,000)	(5,000,000)	0	0	0	350,000,000	350,000,000	350,000,000
Ending NAV - Gross of Accrued Incentive Allocation	\$50,673,600	\$50,673,600	\$50,673,600	\$2,538,269,350	\$2,538,269,350	\$2,538,269,350	\$1,707,500	\$1,707,500	\$1,707,500

Simplified for illustrative purposes

*The recommended YTD and ITD periodicities can only be provided to the same level of line-item detail on a go-forward basis/future funds

ILPA QRSI - Fees + Expenses

Partnership Expenses - Current (2016 Version)



Best Practices Fund II, L.P.	QTD	YTD	Since Inception	QTD	YTD	Since Inception	QTD	YTD	Since Inception
	(Oct-15 - Dec-15)	(Jan-15 - Dec-15)	(Feb-07 - Dec-15)	(Oct-15 - Dec-15)	(Jan-15 - Dec-15)	(Feb-07 - Dec-15)	(Oct-15 - Dec-15)	(Jan-15 - Dec-15)	(Feb-07 - Dec-15)
A. Capital Account Statement for LP #5									
A.1 NAV Reconciliation and Summary of Fees, Expenses & Incentive Allocation									
	LP #5's Allocation of Total Fund			Total Fund (incl. GP Allocation)			GP's Allocation of Total Fund		
Beginning NAV - Net of Incentive Allocation	\$45,067,000	\$38,196,000	\$0	\$2,496,281,787	\$2,163,081,300	\$0	\$339,194,377	\$276,104,050	\$0
Contributions - Cash & Non-Cash	0	5,000,000	35,000,000	0	250,375,000	1,752,625,000	0	375,000	2,625,000
Distributions - Cash & Non-Cash (input positive values)	1,250,000	5,000,000	19,000,000	62,593,750	250,375,000	1,452,175,000	2,593,750	12,875,000	77,175,000
Total Cash / Non-Cash Flows (contributions, less distributions)	(1,250,000)	0	16,000,000	(62,593,750)	0	300,450,000	(2,593,750)	(12,500,000)	(74,550,000)
Net Operating Income (Expense):									
(Management Fees - Gross of Offsets, Waivers & Rebates):	(187,500)	(750,000)	(6,625,000)	(9,375,000)	(37,500,000)	(331,250,000)	0	0	0
Management Fee Rebate	0	0	0	0	0	0	0	0	0
(Partnership Expenses - Total):	(48,000)	(154,780)	(548,429)	(2,328,750)	(4,985,053)	(25,072,055)	0	0	0
(Partnership Expenses - Accounting, Administration & IT)	(1,000)	(2,500)	(27,000)	(50,000)	(128,000)	(1,350,000)	0	0	0
(Partnership Expenses - Audit & Tax Preparatory)	(2,000)	(5,000)	(58,000)	(100,000)	(250,000)	(2,600,000)	0	0	0
(Partnership Expenses - Bank Fees)	0	0	0	0	0	0	0	0	0
(Partnership Expenses - Custody Fees)	(12,500)	(27,500)	(55,000)	(550,000)	(695,000)	(2,900,000)	0	0	0
(Partnership Expenses - Due Diligence)	(20,000)	(50,000)	(95,000)	(1,000,000)	(1,250,999)	(2,555,000)	0	0	0
(Partnership Expenses - Legal)	0	(37,500)	(250,000)	0	(1,875,000)	(12,500,000)	0	0	0
(Partnership Expenses - Organization Costs)	(10,000)	(25,000)	(50,000)	(500,750)	(628,000)	(2,522,500)	0	0	0
(Partnership Expenses - Other Travel & Entertainment)	(2,500)	(7,005)	(12,444)	(128,000)	(147,554)	(599,555)	0	0	0
(Partnership Expenses - Other*)	0	(275)	(985)	0	(10,500)	(45,000)	0	0	0
Total Offsets to Fees & Expenses (applied during period):	82,600	346,500	1,538,521	4,140,600	19,227,400	82,424,249	0	0	0
Offset Categories									
		% Offset to LP #5*							
Advisory Fee Offset	16,000	80%	72,000	185,007	500,000	2,000,000	9,062,500	0	0
Broken Deal Fee Offset	8,000	80%	32,000	137,007	320,000	1,600,000	8,000,000	0	0
Transaction & Deal Fee Offset	4,000	80%	12,000	129,007	390,000	1,400,000	5,968,749	0	0
Directors Fee Offset	600	100%	2,500	37,500	30,000	875,000	6,875,000	0	0
Monitoring Fee Offset	30,000	100%	135,000	675,000	1,500,000	6,900,000	34,000,000	0	0
Capital Markets Fee Offset	15,000	100%	68,000	335,000	750,000	3,450,000	16,500,000	0	0
Organization Cost Offset	8,000	80%	20,000	40,000	400,600	502,400	2,018,000	0	0
Placement Fee Offset	0	100%	0	0	0	0	0	0	0
Other Offset*	0	80%	0	0	0	0	0	0	0
Reconciliation for Unapplied Offset Balance (Roll-forward)									
Unapplied Offset Balance (Roll-forward) - Beginning Balance	1,000	5,000	0	250,000	2,500,000	0	0	0	0
Plus: Total Offsets to Fees & Expenses (recognized during period)	81,600	341,500	1,538,521	3,890,600	16,727,400	82,424,249	0	0	0
Less: Total Offsets to Fees & Expenses (applied during period)	82,600	346,500	1,538,521	4,140,600	19,227,400	82,424,249	0	0	0
Unapplied Offset Balance (Roll-forward) - Ending Balance	0	0	0	0	0	0	0	0	0
(Total Management Fees & Partnership Expenses, Net of Offsets & Rebates, Gross of Fee Waiver)	(152,900)	(558,280)	(5,634,908)	(7,563,150)	(23,257,653)	(273,897,806)	0	0	0
Fee Waiver	0	7,500	25,000	0	375,000	1,250,000	0	0	0
Interest Income	500	1,000	10,000	25,038	50,075	500,750	38	75	750
Dividend Income	10,000	32,380	233,508	500,750	2,503,750	17,030,000	750	3,750	30,000
(Interest Expense)	(2,000)	(8,000)	(40,000)	(100,150)	(400,600)	(2,003,000)	(150)	(600)	(3,000)
Other Income/(Expense)*	1,000	3,000	20,000	50,075	150,225	1,001,500	75	225	1,500
Total Net Operating Income / (Expense)	(143,400)	(522,400)	(5,386,400)	(7,087,438)	(20,579,203)	(256,118,556)	713	3,450	29,250
(Placement Fees)	0	0	(40,000)	0	0	(2,000,000)	0	0	0
Realized Gain / (Loss)	1,000,000	3,000,000	15,100,000	50,075,000	145,392,253	887,937,906	2,575,000	12,725,000	175,728,250
Change in Unrealized Gain / (Loss)	1,000,000	5,000,000	20,000,000	62,593,750	250,375,000	1,608,000,000	12,531,160	75,375,000	250,500,000
Ending NAV - Net of Incentive Allocation	\$45,673,600	\$45,673,600	\$45,673,600	\$2,538,269,350	\$2,538,269,350	\$2,538,269,350	\$351,707,500	\$351,707,500	\$351,707,500
Reconciliation for Accrued Incentive Allocation									
Accrued Incentive Allocation - Starting Period Balance	(4,750,000)	(3,750,000)	0	0	0	0	337,500,000	275,000,000	0
Incentive Allocation - Paid During the Period	50,000	250,000	1,250,000	0	0	0	(2,500,000)	(12,500,000)	(75,000,000)
Accrued Incentive Allocation - Periodic Change	(300,000)	(1,500,000)	(6,250,000)	0	0	0	15,000,000	87,500,000	425,000,000
Accrued Incentive Allocation - Ending Period Balance	(5,000,000)	(5,000,000)	(5,000,000)	0	0	0	350,000,000	350,000,000	350,000,000
Ending NAV - Gross of Accrued Incentive Allocation	\$50,673,600	\$50,673,600	\$50,673,600	\$2,538,269,350	\$2,538,269,350	\$2,538,269,350	\$1,707,500	\$1,707,500	\$1,707,500

ILPA QRSI - Fees + Expenses



Partnership Expenses – Current (2016) Version vs. Post-PFA Comment Period Version

Best Practices Fund II, L.P.	
A. Capital Account Statement for LP #5	
A.1 NAV Reconciliation and Summary of Fees, Expenses & Incentive Allocation	
Beginning NAV - Net of Incentive Allocation	
Contributions - Cash & Non-Cash	
Distributions - Cash & Non-Cash (input positive values)	
Total Cash / Non-Cash Flows (contributions, less distributions)	
Net Operating Income (Expense):	
(Management Fees – Gross of Offsets, Waivers & Rebates):	
Management Fee Rebate	
(Partnership Expenses - Total):	
(Partnership Expenses – Accounting, Administration & IT)	
(Partnership Expenses – Audit & Tax Preparatory)	
(Partnership Expenses – Bank Fees)	
(Partnership Expenses – Custody Fees)	
(Partnership Expenses – Due Diligence)	
(Partnership Expenses – Legal)	
(Partnership Expenses – Organization Costs)	
(Partnership Expenses – Other Travel & Entertainment)	
(Partnership Expenses – Other*)	
Total Offsets to Fees & Expenses (applied during period):	
Offset Categories	% Offset to LP #5*
Advisory Fee Offset	80%
Broken Deal Fee Offset	80%
Transaction & Deal Fee Offset	80%
Directors Fee Offset	100%
Monitoring Fee Offset	100%
Capital Markets Fee Offset	100%
Organization Cost Offset	80%
Placement Fee Offset	100%
Other Offset*	80%
Reconciliation for Unapplied Offset Balance (Roll-forward)	Unapplied Offset Balance (Roll-forward) - Beginning Balance Plus: Total Offsets to Fees & Expenses (recognized during period) Less: Total Offsets to Fees & Expenses (applied during period) Unapplied Offset Balance (Roll-forward) - Ending Balance
(Total Management Fees & Partnership Expenses, Net of Offsets & Rebates, Gross of Fee Waiver)	
Fee Waiver	
Interest Income	
Dividend Income	
(Interest Expense)	
Other Income/(Expense)*	
Total Net Operating Income / (Expense)	
(Placement Fees)	
Realized Gain / (Loss)	
Change in Unrealized Gain / (Loss)	
Ending NAV - Net of Incentive Allocation	
Reconciliation for Accrued Incentive Allocation	Accrued Incentive Allocation - Starting Period Balance Incentive Allocation - Paid During the Period Accrued Incentive Allocation - Periodic Change Accrued Incentive Allocation - Ending Period Balance Ending NAV - Gross of Accrued Incentive Allocation



Expenses Allocated/Paid to Investment Adviser or Related Persons
(Internal Staff/Related Persons - Fund Administration)
(Internal Staff/Related Persons - Accounting)
(Internal Staff/Related Persons - Valuation Services)
(Internal Staff/Related Persons - IT Activities)
(Internal Staff/Related Persons - Audit)
(Internal Staff/Related Persons - Tax Preparation)
(Internal Staff/Related Persons - Legal)
(Internal Staff/Related Persons - Organization Costs)
(Internal Staff/Related Persons - Investigation Fees/Expenses)
(Internal Staff/Related Persons - Regulatory, Compliance, and Examination Fees/Expenses)
(Internal Staff/Related Persons - Other)*
(Internal Staff/Related Persons - Other: Prior ILPA Reporting Template Value) YTD/ITD Only
(Expenses Allocated/Paid to Investment Adviser or Related Persons - Gross of Offsets)
Less Offsets to Expenses Paid to the Investment Adviser & Related Persons (Applied During Period) (input positive values)
(Expenses Allocated/Paid to Investment Adviser or Related Persons - Net of Offsets)
Partnership Expenses - External
(Partnership Expenses - Third-Party Fund Administration)
(Partnership Expenses - Third-Party Accounting)
(Partnership Expenses - Third-Party Valuation Services)
(Partnership Expenses - Third-Party IT Activities)
(Partnership Expenses - Third-Party Legal)
(Partnership Expenses - Third-Party Audit)
(Partnership Expenses - Third-Party Tax Preparation)
(Partnership Expenses - Third-Party Organization Costs)
(Partnership Expenses - Third-Party Investigation Fees/Expenses)
(Partnership Expenses - Third-Party Regulatory, Compliance, and Examination Fees/Expenses)
(Partnership Expenses - Taxes)
(Partnership Expenses - Bank Fees)
(Partnership Expenses - Subscription Facility - Fees)
(Partnership Expenses - Subscription Facility - Interest)
(Partnership Expenses - Other Credit Facilities - Fees)
(Partnership Expenses - Other Credit Facilities - Interest)
(Partnership Expenses - Interest Expense)
(Partnership Expenses - Custody Fees)
(Partnership Expenses - Due Diligence)
(Partnership Expenses - Broken Deals)
(Partnership Expenses - Travel & Entertainment)
(Partnership Expenses - Insurance)
(Partnership Expenses - Other)*
(Partnership Expenses - Other: Prior ILPA Reporting Template Value) YTD/ITD Only
(External Partnership Expenses - Gross of Offsets, Waivers & Rebates)
Less Offsets to External Partnership Expenses (Applied During Period) (input positive values)
(External Partnership Expenses - Net of Offsets, Waivers & Rebates)

Fees + Expenses



Partnership Expenses - Current (2016) Version vs. Post-PFA Comment Period Version

Current (2016 Version) Reporting Template - Partnership Expenses - External
(Partnership Expenses - Accounting, Administration & IT)
(Partnership Expenses - Audit & Tax Preparatory)
(Partnership Expenses - Bank Fees)
(Partnership Expenses - Custody Fees)
(Partnership Expenses - Legal)
(Partnership Expenses - Organization Costs)
(Partnership Expenses - Other Travel & Entertainment)
(Partnership Expenses - Other ⁺)



Post-PFA Comment Period - Partnership Expenses - External
(Partnership Expenses - <u>Third-Party</u> Fund Administration)
(Partnership Expenses - <u>Third-Party</u> Accounting)
(Partnership Expenses - <u>Third-Party</u> Valuation Services)
(Partnership Expenses - <u>Third-Party</u> IT Activities)
(Partnership Expenses - <u>Third-Party</u> Legal)
(Partnership Expenses - <u>Third-Party</u> Audit)
(Partnership Expenses - <u>Third-Party</u> Tax Preparation)
(Partnership Expenses - <u>Third-Party</u> Organization Costs)
(Partnership Expenses - <u>Third-Party</u> Investigation Fees/Expenses)
(Partnership Expenses - <u>Third-Party</u> Regulatory, Compliance, and Examination Fees/Expenses)
(Partnership Expenses - Taxes)
(Partnership Expenses - Bank Fees)
(Partnership Expenses - Subscription Facilities - Fees)
(Partnership Expenses - Subscription Facilities - Interest)
(Partnership Expenses - Other Credit Facilities - Fees)
(Partnership Expenses - Other Credit Facilities - Interest)
(Partnership Expenses - Interest Expense)
(Partnership Expenses - Custody Fees)
(Partnership Expenses - Due Diligence)
(Partnership Expenses - Broken Deals)
(Partnership Expenses - Travel & Entertainment)
(Partnership Expenses - Insurance)
(Partnership Expenses - Other)*
(Partnership Expenses - Other: Prior ILPA Template Value) YTD/ITD Only
(External Partnership Expenses - Gross of Offsets, Waivers & Rebates)
Less Offsets to External Partnership Expenses (Applied During Period)
(External Partnership Expenses - Net of Offsets, Waivers & Rebates)

Fees + Expenses



Partnership Expenses - Current (2016) Version vs. Post-PFA Comment Period Version

Current (2016 Version) Reporting Template - Partnership Expenses - External
(Partnership Expenses - Accounting, Administration & IT)
(Partnership Expenses - Audit & Tax Preparatory)
(Partnership Expenses - Bank Fees)
(Partnership Expenses - Custody Fees)
(Partnership Expenses - Legal)
(Partnership Expenses - Organization Costs)
(Partnership Expenses - Other Travel & Entertainment)
(Partnership Expenses - Other ⁺)



Post-PFA Comment Period - Partnership Expenses - Internal Staff/Related Persons
(Internal Staff/Related Persons - Fund Administration)
(Internal Staff/Related Persons - Accounting)
(Internal Staff/Related Persons - Valuation Services)
(Internal Staff/Related Persons - IT Activities)
(Internal Staff/Related Persons - Legal)
(Internal Staff/Related Persons - Audit)
(Internal Staff/Related Persons - Tax Preparation)
(Internal Staff/Related Persons - Organization Costs)
(Internal Staff/Related Persons - Investigation Fees/Expenses)
(Internal Staff/Related Persons - Regulatory, Compliance, and Examination Fees/Expenses)
Internal Staff/Related Persons - Other)*
(Internal Staff/Related Persons - Other: Prior ILPA Template Value) YTD/ITD Only
(Expenses Allocated/Paid to Investment Adviser or Related Persons - Gross of Offsets)
Less Offsets to Expenses Paid to the Investment Adviser & Related Persons (Applied During Period)
(Expenses Allocated/Paid to Investment Adviser or Related Persons - Net of Offsets)

Definition -

Partnership Expenses - Accounting, Administration & IT - Expenses charged to the Fund for fund administration, including accounting, valuation services, filing fees and IT activities; **Any YTD expenses attributed to internal staff, Related Parties and/or internal infrastructure must be footnoted in this document;** Excludes expenses for audit and tax preparation.

Partnership Expenses - Comment Period Surveys



Comment Period Topics for Feedback (Relative to **Comment Period Template Drafts**)

Post-PFA Comment Period - Partnership Expenses - External
(Partnership Expenses - <u>Third-Party</u> Fund Administration)
(Partnership Expenses - <u>Third-Party</u> Accounting)
(Partnership Expenses - <u>Third-Party</u> Valuation Services)
(Partnership Expenses - <u>Third-Party</u> IT Activities)
(Partnership Expenses - <u>Third-Party</u> Legal)
(Partnership Expenses - <u>Third-Party</u> Audit)
(Partnership Expenses - <u>Third-Party</u> Tax Preparation)
(Partnership Expenses - <u>Third-Party</u> Organization Costs)
(Partnership Expenses - <u>Third-Party</u> Investigation Fees/Expenses)
(Partnership Expenses - <u>Third-Party</u> Regulatory, Compliance, and Examination Fees/Expenses)
(Partnership Expenses - Taxes)
(Partnership Expenses - Bank Fees)
(Partnership Expenses - Subscription Facility - Fees)
(Partnership Expenses - Subscription Facility - Interest)
(Partnership Expenses - Other Credit Facilities - Fees)
(Partnership Expenses - Other Credit Facilities - Interest)
(Partnership Expenses - Interest Expense)
(Partnership Expenses - Custody Fees)
(Partnership Expenses - Due Diligence)
(Partnership Expenses - Broken Deals)
(Partnership Expenses - Travel & Entertainment)
(Partnership Expenses - Insurance)
(Partnership Expenses - Other)*
(Partnership Expenses - Other: Prior ILPA Template Value) YTD/ITD Only
(External Partnership Expenses - Gross of Offsets, Waivers & Rebates)
Less Offsets to External Partnership Expenses (Applied During Period)
(External Partnership Expenses - Net of Offsets, Waivers & Rebates)

1

Do you agree with including the External Partnership Expenses line items shown here?

	Agree	If Disagree explain in the text box below the line
(Partnership Expenses - Third-Party Fund Administration)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party Accounting)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party Valuation Services)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party IT Activities)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party Legal)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party Audit)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party Tax Preparation)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party Organization Costs)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party Investigation Fees/Expenses)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Third-Party Regulatory, Compliance, and Examination Fees/Expenses)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Taxes)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Bank Fees)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Subscription Facility - Fees)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Subscription Facility - Interest)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Other Credit Facilities - Fees)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Other Credit Facilities - Interest)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Interest Expense)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Custody Fees)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Due Diligence)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Broken Deals)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Travel & Entertainment)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Insurance)	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Other)*	<input type="radio"/>	<input type="radio"/>
(Partnership Expenses - Other: Prior ILPA Template Value) ITD Only	<input type="radio"/>	<input type="radio"/>

2

Are there other External Partnership Expenses that should be included beyond those provided?

Yes (If yes, please specify in the text box below)

No

Partnership Expenses - Comment Period Surveys



Comment Period Topics for Feedback (Relative to **Comment Period Template Drafts**)

Post-PFA Comment Period - Partnership Expenses - Internal Staff/Related Persons
(Internal Staff/Related Persons - Fund Administration)
(Internal Staff/Related Persons - Accounting)
(Internal Staff/Related Persons - Valuation Services)
(Internal Staff/Related Persons - IT Activities)
(Internal Staff/Related Persons - Legal)
(Internal Staff/Related Persons - Audit)
(Internal Staff/Related Persons - Tax Preparation)
(Internal Staff/Related Persons - Organization Costs)
(Internal Staff/Related Persons - Investigation Fees/Expenses)
(Internal Staff/Related Persons - Regulatory, Compliance, and Examination Fees/Expenses)
Internal Staff/Related Persons - Other)*
(Internal Staff/Related Persons - Other: Prior ILPA Template Value)
YTD/ITD Only
(Expenses Allocated/Paid to Investment Adviser or Related Persons - Gross of Offsets)
Less Offsets to Expenses Paid to the Investment Adviser & Related Persons (Applied During Period)
(Expenses Allocated/Paid to Investment Adviser or Related Persons - Net of Offsets)

1

Do you agree with including the Expenses Allocated/Paid to Investment Adviser or Related Persons line items shown here?

	Agree	If Disagree, explain why in the text box below the line item		
(Internal Staff/Related Persons - Fund Administration)	<input type="radio"/>	<input type="radio"/>	(Internal Staff/Related Persons - Legal)	<input type="radio"/>
(Internal Staff/Related Persons - Accounting)	<input type="radio"/>	<input type="radio"/>	(Internal Staff/Related Persons - Organization Costs)	<input type="radio"/>
(Internal Staff/Related Persons - Valuation Services)	<input type="radio"/>	<input type="radio"/>	(Internal Staff/Related Persons - Investigation Fees/Expenses)	<input type="radio"/>
(Internal Staff/Related Persons - IT Activities)	<input type="radio"/>	<input type="radio"/>	(Internal Staff/Related Persons - Regulatory, Compliance, and Examination Fees/Expenses)	<input type="radio"/>
(Internal Staff/Related Persons - Audit)	<input type="radio"/>	<input type="radio"/>	(Internal Staff/Related Persons - Other)*	<input type="radio"/>
(Internal Staff/Related Persons - Tax Preparation)	<input type="radio"/>	<input type="radio"/>	(Internal Staff/Related Persons - Other: Prior ILPA Template Value) ITD Only	<input type="radio"/>

2

Are there other Expenses Allocated/Paid to Investment Adviser or Related Persons that should be included beyond those provided? (E.g. due diligence, broken deal costs, etc.)

Yes (If yes, please specify in the text box below)

No

Offsets - Comment Period Surveys



Comment Period Topics for Feedback (Relative to **Comment Period Template Drafts**)

Post-PFA Comment Period - Offset Categories
Advisory Fee Offset
Broken Deal Fee Offset
Transaction & Deal Fee Offset
Directors Fee Offset
Monitoring Fee Offset
Capital Markets Fee Offset
Arrangement Fee Offset
Origination Fee Offset
Organization Cost Offset
Placement Fee Offset
Other Offsets*
Other Fee Offsets: Prior ILPA Template Value YTD/ITD Only
Total Offsets to Fees & Expenses (Recognized During Period)
Total Offsets to Fees & Expenses (Applied During Period)

1

Do you agree with including the Offsets shown above?

2

Offset Categories and Portfolio Company Fee Types: Several offset categories and portfolio company fee types were called out by the SEC in the Private Fund Adviser's rule. Please select if any of the below should be added to the template:

Consulting Fee Offset	Servicing Fee Offset	Administrative Fee Offset	Trustees Fee Offset	Other (please specify below)
-----------------------	----------------------	---------------------------	---------------------	------------------------------

3

Are there other Offsets that should be included beyond those provided?

Yes (If yes, please specify in the text box below)	No
--	----

ILPA Reporting Template



Summary of Proposed Changes (Relative to **Comment Period Template Drafts**)

Template Element	SEC Required (During PFA)	Proposed Update/Open Question
<u>Reference to Org/Offering Docs</u>	Include cross references to the sections of the fund's org/offering docs that set forth the calculation methodology	<u>Remove</u> Reference to Organizational/Offering Documents column on template
<u>Adviser Compensation Table</u>	Given the requirement to provide a detailed accounting of all compensation, fees, and other amounts allocated or paid to the investment adviser (including Sub-Adviser), we created a standalone Adviser Compensation table	<u>Streamline</u> template to avoid certain duplication of rows while still capturing critical points like internal-charge backs
<u>Sub-Adviser Fees</u>	Separate line items for each category of allocation/payment, including sub-advisory	<u>Remove</u> Sub-Adviser Fee sections from template
<u>"Other" Line</u>	Use of an "Other" line is strictly prohibited	<u>Include "Other" line</u> in Partnership Expenses (both Third-Party & Internal Staff/Related Persons), Offsets, & Portfolio Investment Compensation
<u>Isolate Subscription Lines of Credit in Partnership Expenses</u>	N/A	<u>Add</u> specific view into fees + interest for Subscription Lines separate from Other Credit Facilities
<u>Portfolio Company by Portfolio Company Look Through</u>	Separate tables disclosing portfolio investment compensation for each portfolio company (i.e. each portfolio investment)	<u>Remove</u> individual breakouts per portfolio company (keep one breakout for total of all portfolio companies as done on the current ILPA Reporting Template)
<u>Offsets/Portfolio Investment Compensation Items</u>	Provide a detailed accounting of offsets and types of portfolio investment compensation, including a direct list provided by the SEC	<u>Remove</u> multiple offsets/portfolio investment compensation items (closer alignment with current ILPA Reporting Template)
<u>Management Fee Base</u>	N/A	(Open Question) <u>Add</u> row to capture LP-specific Management Fee Base

ILPA Reporting Template



Summary of Proposed Changes (Relative to **Comment Period Template Drafts**)

Template Element	SEC Required (During PFA)	Proposed Update/Open Question
<u>Reference to Org/Offering Docs</u>	Include cross references to the sections of the fund's org/offering docs that set forth the calculation methodology	<u>Remove</u> Reference to Organizational/Offering Documents column on template
<u>Adviser Compensation Table</u>	Given the requirement to provide a detailed accounting of all compensation, fees, and other amounts allocated or paid to the investment adviser (including Sub-Adviser), we created a standalone Adviser Compensation table	<u>Streamline</u> template to avoid certain duplication of rows while still capturing critical points like internal-charge backs
<u>Sub-Adviser Fees</u>	Separate line items for each category of allocation/payment, including sub-advisory	<u>Remove</u> Sub-Adviser Fee sections from template
<u>"Other" Line</u>	Use of an "Other" line is strictly prohibited	<u>Include "Other" line</u> in Partnership Expenses (both Third-Party & Internal Staff/Related Persons), Offsets, & Portfolio Investment Compensation
<u>Isolate Subscription Lines of Credit in Partnership Expenses</u>	N/A	<u>Add</u> specific view into fees + interest for Subscription Lines separate from Other Credit Facilities
<u>Portfolio Company by Portfolio Company Look Through</u>	Separate tables disclosing portfolio investment compensation for each portfolio company (i.e. each portfolio investment)	<u>Remove</u> individual breakouts per portfolio company (keep one breakout for total of all portfolio companies as done on the current ILPA Reporting Template)
<u>Offsets/Portfolio Investment Compensation Items</u>	Provide a detailed accounting of offsets and types of portfolio investment compensation, including a direct list provided by the SEC	<u>Remove</u> multiple offsets/portfolio investment compensation items (closer alignment with current ILPA Reporting Template)
<u>Management Fee Base</u>	N/A	(Open Question) <u>Add</u> row to capture LP-specific Management Fee Base

Agenda

ILPA QRSI Overview

Template Specific Overview

Structural

Fees + Expenses Workstream

➤ [Performance + Cash Flows Workstream](#)

Next Steps

Questions

ILPA QRSI - Performance + Cash Flows

PFA Comment Period
Performance Template



Fund + Portfolio Performance

Fund Cash Flows To Investors Since Inception			
Effective Date	Inflow/Outflow – Fund Standpoint	Transaction Description	\$ Amount
	Inflow	Capital Call: Investments	
	Inflow	Capital Call: Management Fees/Partnership Expenses	
	Inflow	Credit Facility Drawdown: Investments	
	Inflow	Credit Facility Drawdown: Management Fees/Partnership Expenses	
	Inflow	Capital Call: Working Capital	
	Inflow	Credit Facility Drawdown: Working Capital	
	Inflow	Capital Call: Credit Facility Fees/Interests	
	Inflow	Deemed Contribution (Portion of Capital Call to offset deemed distribution)	
	Inflow	Deemed GP Contribution from LPs	
	Outflow	Synthetic Distribution: Credit Facility Repayment: Investments	
	Outflow	Synthetic Distribution: Credit Facility Repayment: Management Fees/Partnership Expenses	
	Outflow	Carry / Clawback	
	Outflow	Distribution: Permanent	
	Outflow	Distribution: Recallable	
	Outflow	Distribution: Return of Excess Capital Called	
	Outflow	Deemed Distribution	
	Cash Adjustment	Management Fee/Partnership Expense adjustments	
	NAV Adjustment	Quarter-end adjustment for carry allocation	
	NAV Adjustment	Quarter-end adjustment for accrued management fees/partnership expenses	
	NAV Adjustment	Gross up Outstanding Balance and Unpaid/Accrued Interest from Subline	
	NAV	NAV	

Fund to
Investors

Fund to
Investments

Fund Performance Since Inception	
With Impact of Subline – Net	
IRR	
MOIC	
With Impact of Subline – Gross	
IRR	
MOIC	
Without Impact of Subline – Net	
IRR	
MOIC	
Without Impact of Subline – Gross	
IRR	
MOIC	

Portfolio Realized/Unrealized Performance Since Inception	
With Impact of Subline	
Realized	
Gross IRR	
Gross MOIC	
Unrealized	
Gross IRR	
Gross MOIC	
Without Impact of Subline	
Realized	
Gross IRR	
Gross MOIC	
Unrealized	
Gross IRR	
Gross MOIC	

ILPA QRSI - Performance + Cash Flows

Post-PFA Comment Period
Performance Template -
Option 1 + 2 Combined



Fund + Portfolio Performance

Fund Cash Flows To Investors Since Inception		
Effective Date	Transaction Description	\$ Amount
	Capital Call: Investments	
	Capital Call: Management Fees/Partnership Expenses	
	Capital Call: Working Capital	
	Fund-level Subscription Facility Drawdown: Investments	
	Fund-level Subscription Facility Drawdown: Management Fees/Partnership Expenses	
	Fund-level Subscription Facility Drawdown: Working Capital	
	Capital Call: Fund-level Subscription Facility Fees/Interests	
	Synthetic Distribution: Fund-level Subscription Facility Repayment: Investments	
	Synthetic Distribution: Fund-level Subscription Facility Repayment: Management Fees/Partnership Expenses	
	Deemed Contribution	
	Deemed GP Contribution from LPs	
	Carry / Clawback – (Carry is offset to LP Distributions – input as negative value)	
	Distribution: Permanent	
	Distribution: Recallable	
	Distribution: Return of Excess Capital Called	
	Deemed Distribution	
	Management Fee/Partnership Expense Adjustments	
	Quarter-end Adjustment for Carry Allocation	
	Quarter-end Adjustment for Accrued Management Fees/Partnership Expenses	
	Gross Up Outstanding Balance and Unpaid/Accrued Interest from Fund-level Subscription Facility	
	NAV	

Fund to
Investors

Fund to
Investments

Fund Performance	
With Impact of Fund-level Subscription Facility – Net	
IRR	
TVPI	
With Impact of Fund-level Subscription Facility – Gross	
IRR	
MOIC	
Without Impact of Fund-level Subscription Facility – Net	
IRR	
TVPI	
Without Impact of Fund-level Subscription Facility – Gross	
IRR	
MOIC	

Optional
for
Option 2

Optional
for
Option 2

Portfolio Performance	
Realized Portfolio	
Gross IRR	
Gross MOIC	
Partially Realized Portfolio	
Gross IRR	
Gross MOIC	
Unrealized Portfolio	
Gross IRR	
Gross MOIC	
Total Portfolio	
Gross IRR	
Gross MOIC	

ILPA QRSI - Performance + Cash Flows

Post-PFA Comment Period
Performance Template -
Option 1 + 2 Combined

ILPA "Required"
ILPA Recommended
ILPA Optional

Fund + Portfolio Performance

Fund Cash Flows To Investors Since Inception		
Effective Date	Transaction Description	\$ Amount
	Capital Call: Investments	
	Capital Call: Management Fees/Partnership Expenses	
	Capital Call: Working Capital	
	Fund-level Subscription Facility Drawdown: Investments	
	Fund-level Subscription Facility Drawdown: Management Fees/Partnership Expenses	
	Fund-level Subscription Facility Drawdown: Working Capital	
	Capital Call: Fund-level Subscription Facility Fees/Interests	
	Synthetic Distribution: Fund-level Subscription Facility Repayment: Investments	
	Synthetic Distribution: Fund-level Subscription Facility Repayment: Management Fees/Partnership Expenses	
	Deemed Contribution	
	Deemed GP Contribution from LPs	
	Carry / Clawback – (Carry is offset to LP Distributions – input as negative value)	
	Distribution: Permanent	
	Distribution: Recallable	
	Distribution: Return of Excess Capital Called	
	Deemed Distribution	
	Management Fee/Partnership Expense Adjustments	
	Quarter-end Adjustment for Carry Allocation	
	Quarter-end Adjustment for Accrued Management Fees/Partnership Expenses	
	Gross Up Outstanding Balance and Unpaid/Accrued Interest from Fund-level Subscription Facility	
	NAV	

Fund to Investors

Fund to Investors

Fund Performance	
With Impact of Fund-level Subscription Facility – Net	
IRR	
TVPI	
With Impact of Fund-level Subscription Facility – Gross	
IRR	
MOIC	
Without Impact of Fund-level Subscription Facility – Net	
IRR	
TVPI	
Without Impact of Fund-level Subscription Facility – Gross	
IRR	
MOIC	

Optional for Option 2

Optional for Option 2

Portfolio Performance	
Realized Portfolio	
Gross IRR	
Gross MOIC	
Partially Realized Portfolio	
Gross IRR	
Gross MOIC	
Unrealized Portfolio	
Gross IRR	
Gross MOIC	
Total Portfolio	
Gross IRR	
Gross MOIC	

Performance + Cash Flows

Post-PFA Comment Period
Performance Template -
Option 1 + 2 Combined

ILPA "Required"
ILPA Recommended



Fund Performance - With Impact of Subline Consolidated Cash Flow Table

Transaction Description (Fund to Investors)	With Impact of Subline			
	Net IRR	Gross IRR	Net TVPI	Gross MOIC
Capital Call: Investments	Included	Included	Denominator	Denominator
Capital Call: Management Fees/Partnership Expenses	Included		Denominator	
Capital Call: Working Capital	Included	Included	Denominator	Denominator
Fund-level Subscription Facility Drawdown: Investments				
Fund-level Subscription Facility Drawdown: Management Fees/Partnership Expenses				
Fund-level Subscription Facility Drawdown: Working Capital				
Capital Call: Fund-level Subscription Facility Fees/Interest	Included		Denominator	
Synthetic Distribution: Fund-level Subscription Facility Repayment: Investments				
Synthetic Distribution: Fund-level Subscription Facility Repayment: Mgmt Fees/Part Expenses				
Deemed Contribution	Included	Included	Denominator	Denominator
Deemed GP Contribution from LPs	Included	Included	Denominator	Denominator
Carry / Clawback – (Carry is offset to LP Distributions – input as negative value)	Included		Numerator	
Distribution: Permanent	Included	Included	Numerator	Numerator
Distribution: Recallable	Included	Included	Numerator	Numerator
Distribution: Return of Excess Capital Called	Included	Included	Decrease Denominator	Decrease Denominator
Distribution from Credit Facility: Permanent	Included	Included	Numerator	Numerator
Distribution from Credit Facility: Recallable	Included	Included	Numerator	Numerator
Deemed Distribution	Included	Included	Numerator	Numerator
Management Fee/Partnership Expense Adjustments	Included		Denominator	
Quarter-end Adjustment for Carry Allocation	Included		Numerator	
Quarter-end Adjustment for Accrued Management Fees/Partnership Expenses	Included		Numerator	
Gross Up Outstanding Balance & Unpaid/Accrued Interest from Fund-Level Subscription Facility				
NAV	Included	Included	Numerator	Numerator

Performance + Cash Flows

Post-PFA Comment Period
Performance Template -
Option 1 + 2 Combined

ILPA "Required"

ILPA Recommended



Fund Performance - Without Impact of Subline Consolidated Cash Flow Table

Transaction Description (Fund to Investors)	Without Impact of Subline			
	Net IRR	Gross IRR	Net TVPI	Gross MOIC
Capital Call: Investments	Included	Included	Denominator	Denominator
Capital Call: Management Fees/Partnership Expenses	Included		Denominator	
Capital Call: Working Capital	Included	Included	Denominator	Denominator
Fund-level Subscription Facility Drawdown: Investments	Included	Included	Denominator	Denominator
Fund-level Subscription Facility Drawdown: Management Fees/Partnership Expenses	Included		Denominator	
Fund-level Subscription Facility Drawdown: Working Capital	Included	Included	Denominator	Denominator
Capital Call: Fund-level Subscription Facility Fees/Interest				
Synthetic Distribution: Fund-level Subscription Facility Repayment: Investments	Included	Included	Decrease Denominator	Decrease Denominator
Synthetic Distribution: Fund-level Subscription Facility Repayment: Mgmt Fees/Part Expenses	Included		Decrease Denominator	
Deemed Contribution	Included	Included	Denominator	Denominator
Deemed GP Contribution from LPs	Included	Included	Denominator	Denominator
Carry / Clawback – (Carry is offset to LP Distributions – input as negative value)	Included		Numerator	
Distribution: Permanent	Included	Included	Numerator	Numerator
Distribution: Recalable	Included	Included	Numerator	Numerator
Distribution: Return of Excess Capital Called	Included	Included	Decrease Denominator	Decrease Denominator
Distribution from Credit Facility: Permanent	Included	Included	Numerator	Numerator
Distribution from Credit Facility: Recalable	Included	Included	Numerator	Numerator
Deemed Distribution	Included	Included	Numerator	Numerator
Management Fee/Partnership Expense Adjustments	Included		Denominator	
Quarter-end Adjustment for Carry Allocation	Included		Numerator	
Quarter-end Adjustment for Accrued Management Fees/Partnership Expenses	Included		Numerator	
Gross Up Outstanding Balance & Unpaid/Accrued Interest from Fund-Level Subscription Facility	Included	Included	Numerator	Numerator
NAV	Included	Included	Numerator	Numerator

Fund Performance - Comment Period Surveys



Comment Period Topics for Feedback (Relative to **Comment Period Template Drafts**)

1

Fund Performance Questions

The Fund Performance metrics are based on cash flows between the Fund and Investors (and Investor, in the case of LP-Level).

Recognizing that there are different practices in the industry today, and noting that gross performance is often based on cash flows between the Fund and Investments, should the ILPA Performance Template only be used for **net fund-level performance**, or should we continue to push for the inclusion of **gross fund-level performance**, defining gross fund level performance as between the Fund and Investors?

Note: Gross performance metrics calculated on the cash flows between the Fund and Investments will be included regardless.

The ILPA Performance Template and fund performance table should only include the net fund-level cash flows/returns that occur between the fund and its investors

The ILPA Performance Template and fund performance table should include both the net and gross cash flows/returns that occur between the fund and its investors



Context/Question:

- *Fund level* performance based on cash flows from **Fund to Investor**
 - With Impact - **Net** IRR - **Required**
 - Without Impact - **Net** TVPI - **Required**
 - With Impact - **Gross** IRR - **Recommended** (and preferred)
 - Without Impact - **Gross** MOIC - **Recommended** (and preferred)
- *Portfolio performance* based on cash flows from **Fund to Investments**
 - **Gross** IRR - **Required**
 - **Gross** MOIC - **Required**

Fund Performance - Comment Period Surveys



Comment Period Topics for Feedback (Relative to Comment Period Template Drafts)

1

Transaction Description (Fund to Investors)	With Impact of Subline			
	Net IRR	Gross IRR	Net TVPI	Gross MOIC
Capital Call: Investments	Included	Included	Denominator	Denominator
Capital Call: Management Fees/Partnership Expenses	Included	Included	Denominator	Denominator
Capital Call: Working Capital	Included	Included	Denominator	Denominator
Fund-level Subscription Facility Drawdown: Investments				
Fund-level Subscription Facility Drawdown: Management Fees/Partnership Expenses				
Fund-level Subscription Facility Drawdown: Working Capital				
Capital Call: Fund-level Subscription Facility Fees/Interest	Included		Denominator	
Synthetic Distribution: Fund-level Subscription Facility Repayment: Investments				
Synthetic Distribution: Fund-level Subscription Facility Repayment: Mgmt Fees/Part Expenses				
Deemed Contribution	Included	Included	Denominator	Denominator
Deemed GP Contribution from LPs	Included	Included	Denominator	Denominator
Carry / Clawback – (Carry is offset to LP Distributions – input as negative value)	Included		Numerator	
Distribution: Permanent	Included	Included	Numerator	Numerator
Distribution: Recalable	Included	Included	Numerator	Numerator
Distribution: Return of Excess Capital Called	Included	Included	Decrease Denominator	Decrease Denominator
Distribution from Credit Facility: Permanent	Included	Included	Numerator	Numerator
Distribution from Credit Facility: Recalable	Included	Included	Numerator	Numerator
Deemed Distribution	Included	Included	Numerator	Numerator
Management Fee/Partnership Expense Adjustments	Included		Denominator	
Quarter-end Adjustment for Carry Allocation	Included		Numerator	
Quarter-end Adjustment for Accrued Management Fees/Partnership Expenses	Included		Numerator	
Gross Up Outstanding Balance & Unpaid/Accrued Interest from Fund-Level Subscription Facility NAV	Included	Included	Numerator	Numerator

Transaction Description (Fund to Investors)	Without Impact of Subline			
	Net IRR	Gross IRR	Net TVPI	Gross MOIC
Capital Call: Investments	Included	Included	Denominator	Denominator
Capital Call: Management Fees/Partnership Expenses	Included		Denominator	
Capital Call: Working Capital	Included	Included	Denominator	Denominator
Fund-level Subscription Facility Drawdown: Investments	Included	Included	Denominator	Denominator
Fund-level Subscription Facility Drawdown: Management Fees/Partnership Expenses	Included		Denominator	
Fund-level Subscription Facility Drawdown: Working Capital	Included	Included	Denominator	Denominator
Capital Call: Fund-level Subscription Facility Fees/Interest				
Synthetic Distribution: Fund-level Subscription Facility Repayment: Investments	Included	Included	Decrease Denominator	Decrease Denominator
Synthetic Distribution: Fund-level Subscription Facility Repayment: Mgmt Fees/Part Expenses	Included		Decrease Denominator	
Deemed Contribution	Included	Included	Denominator	Denominator
Deemed GP Contribution from LPs	Included	Included	Denominator	Denominator
Carry / Clawback – (Carry is offset to LP Distributions – input as negative value)	Included		Numerator	
Distribution: Permanent	Included	Included	Numerator	Numerator
Distribution: Recalable	Included	Included	Numerator	Numerator
Distribution: Return of Excess Capital Called	Included	Included	Decrease Denominator	Decrease Denominator
Distribution from Credit Facility: Permanent	Included	Included	Numerator	Numerator
Distribution from Credit Facility: Recalable	Included	Included	Numerator	Numerator
Deemed Distribution	Included	Included	Numerator	Numerator
Management Fee/Partnership Expense Adjustments	Included		Denominator	
Quarter-end Adjustment for Carry Allocation	Included		Numerator	
Quarter-end Adjustment for Accrued Management Fees/Partnership Expenses	Included		Numerator	
Gross Up Outstanding Balance & Unpaid/Accrued Interest from Fund-Level Subscription Facility NAV	Included	Included	Numerator	Numerator

Transaction Description <small>(Grouping "X" symbols in left margin to be more detailed transaction type breakdown)</small>	Source	Without Impact of Fund-level Subscription Facility				With Impact of Fund-level Subscription Facility			
		Net IRR	Gross IRR	Net TVPI	Gross MOIC	Net IRR	Gross IRR	Net TVPI	Gross MOIC
Capital Call: Management Fees/Partnership Expenses	CF Table Map	Included		Denominator		Included		Denominator	

Do you agree with the mapping shown above for the Capital Call: Management Fees/Partnership Expenses line?

Agree If Disagree, please explain why in the text box below the metric.

Without Sublines Net IRR

Without Sublines Gross IRR

Without Sublines Net TVPI

Without Sublines Gross MOIC

With Sublines Net IRR

With Sublines Gross IRR

With Sublines Net TVPI

With Sublines Gross MOIC

Fund-Level Subscription Facility Example



Comment Period Topics for Feedback (Relative to **Comment Period Template Drafts**)

Cash Flows		Transaction Description	Performance Treatment			
Effective Date	Amount - Cumulative LP Allocation		Gross - With Impact of Fund-level Subscription Facility	Net - With Impact of Fund-level Subscription Facility	Gross - Without Impact of Fund-level Subscription Facility	Net - Without Impact of Fund-level Subscription Facility
7/1/2022	-\$15,000.00	Fund-level Subscription Facility Drawdown: Investments	\$0.00	\$0.00	-\$15,000.00	-\$15,000.00
7/1/2022	-\$300.00	Fund-level Subscription Facility Drawdown: Management Fees/Partnership Expenses	\$0.00	\$0.00	\$0.00	-\$300.00
10/15/2022	-\$100.00	Capital Call: Fund-level Subscription Facility Fees/Interest	\$0.00	-\$100.00	\$0.00	\$0.00
4/1/2023	-\$15,000.00	Capital Call: Investments	-\$15,000.00	-\$15,000.00	-\$15,000.00	-\$15,000.00
4/1/2023	-\$300.00	Capital Call: Management Fees/Partnership Expenses	\$0.00	-\$300.00	\$0.00	-\$300.00
4/3/2023	\$15,000.00	Synthetic Distribution: Fund-level Subscription Facility Repayment: Investments	\$0.00	\$0.00	\$15,000.00	\$15,000.00
4/3/2023	\$300.00	Synthetic Distribution: Fund-level Subscription Facility Repayment: Management Fees/Partnership Expenses	\$0.00	\$0.00	\$0.00	\$300.00
12/31/2023	\$XXXX.XX	NAV	\$XXXX.XX	\$XXXX.XX	\$XXXX.XX	\$XXXX.XX

Sample Cash Flow Mapping: Fund-Level Subscription Facility Drawdown, Call for Interest on the Fund-Level Subscription Facility, and Subsequent Repayment (Synthetic Distribution)

- 1 Drawdown from subscription facility, used to finance an investment.
- 2 Drawdown from subscription facility, used to finance management fees/ partnership expenses.
- 3 Call for fees/interest resulting from the use of a fund-level subscription facility. Only impacts "With" IRR/MOIC calculations as these fees/interest would not have been incurred had a fund-level subscription facility not been used.
- 4 Call to repay 7/1 subscription facility drawdown.
- 5 Call to repay 7/1 subscription facility drawdown.
- 6 Actual repayment of 7/1 subscription facility drawdown.
- 7 Actual repayment of 7/1 subscription facility drawdown.

ILPA Performance Template



Summary of Proposed Changes (Relative to **Comment Period Template Drafts**)

Template Element	SEC Required (During PFA)	Proposed Update/Open Question
<u>Inflows/Outflows</u>	Inflows and outflows must be provided for each cash flow	<u>Remove</u> Inflow/Outflow given limited importance (especially since we will “require” the Transaction Description)
<u>Transaction Description</u>	(ILPA Recommendation) Provide transaction type detail to allow for calculation/recalculation of performance metrics	<u>Add</u> Transaction Description as “required” instead of just “ILPA Recommended” given the added value
<u>Showcasing only Net Fund Performance Metrics</u>	Fund level performance metrics (both Net and Gross and With and Without) must be based on cash flows from Fund to Investors	(Open Question) <u>Introduce optionality</u> for Fund level performance metrics to allow only Net performance metrics (With and Without) based on cash flows from Fund to Investors to be shown Gross performance (from Fund to Investments) would still be captured in connection to the Portfolio level performance with the Realized/Unrealized (and Total)
<u>With & Without (For Realized/Unrealized)</u>	Provide Gross IRR and Gross MOIC for the Realized and Unrealized portions of the illiquid fund’s portfolio (<i>presented With and Without the impact of sublines for each</i>)	<u>Remove</u> With and Without the impact of sublines for the Portfolio level performance with Realized/Unrealized (and Total)
<u>Partially Realized</u>	N/A	<u>Add</u> Partially Realized for Portfolio level performance for GPs that currently use this designation today (no need for GPs to use it if it doesn’t align with their standard approach)

Agenda

ILPA QRSI Overview

Template Specific Overview

Structural

Fees + Expenses Workstream

Performance + Cash Flows Workstream

➤ Next Steps

Questions

Next Steps

1

Complete the (Post-PFA) Comment Period Surveys (if you haven't already done so):

- Complete the surveys before the **10/11** close:
 - [ILPA Reporting Template Survey](#)
 - [ILPA Performance Template Survey](#)
- The ILPA QRSI team is happy to connect directly submitters who would like to discuss the templates or surveys further - [email ILPA Quarterly Reporting Standards](#)

2

Additional Opportunities to Engage

- Join the ILPA QRSI Satellite Group - [SG sign-up form](#)
- Register to attend the ILPA QRSI Webcast Q+A on **10/3** - [Registration form](#) (with ability to submit questions!)

3

Call to Action: Leverage Language for Outreach for the Comment Period and Satellite Groups

- We have prepared language to encourage participation in:
 - Comment Period - [email language](#) + [gleanin](#) (for LinkedIn)
 - Satellite Group participation - [email language](#)

Agenda

ILPA QRSI Overview

Template Specific Overview

Structural

Fees + Expenses Workstream

Performance + Cash Flows Workstream

Next Steps

➤ Questions

Thank You!

Visit Us On Social

