



# Performance Template Guidance

Gross Up Methodology

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## Supplemental Resources Available

To support implementation efforts and adoption of the Performance Template throughout the Private Equity (PE) industry, ILPA has developed a set of supplemental resources to provide more in-depth guidance that can be used in tandem with the core guidance presented herein. ILPA will continue to add to the suite of supplemental resources moving forward. To ensure the Performance Template's objective of greater standardization is achieved, ILPA encourages interested parties to consult [ilpa.org/performancetemplate](https://ilpa.org/performancetemplate) for the latest supplemental resources and to reach out to [templatesupport@ilpa.org](mailto:templatesupport@ilpa.org) with any questions or suggestions for additional clarity.

**Supplemental Resources Available on [ilpa.org/performancetemplate](https://ilpa.org/performancetemplate)**



### ABOUT ILPA

The Institutional Limited Partners Association (ILPA) empowers and connects limited partners to maximize their performance on an individual, institutional and collective basis.

With more than 600 member organizations representing more than 3 trillion USD of private equity assets under management, ILPA is the only global association dedicated exclusively to advancing the interests of LPs and their beneficiaries through best-in-class education, content, advocacy and events.



SECTION 1

# Executive Summary



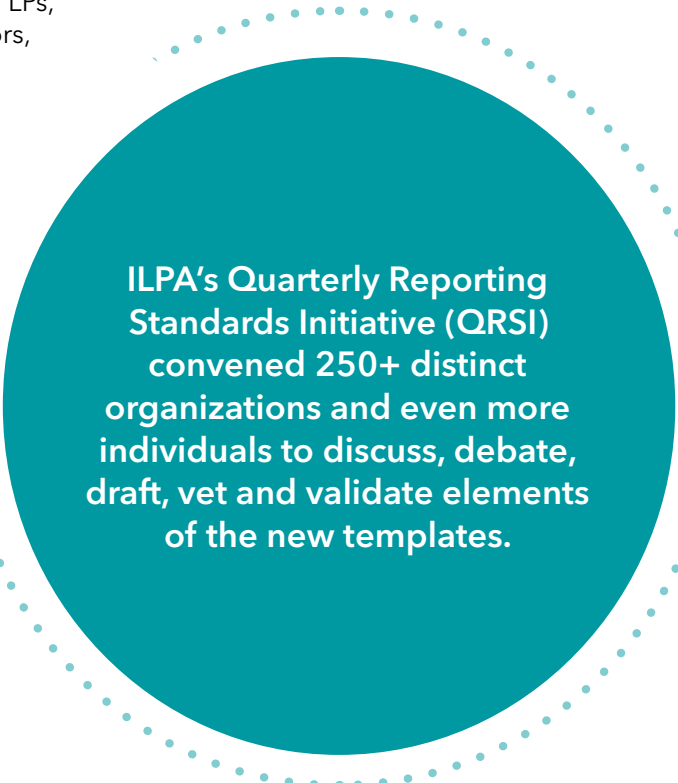
# Executive Summary

## Background

The ILPA Performance Template (the “Performance Template”) was developed to standardize return calculation methodologies in the private equity industry by creating a framework for capturing performance metrics and corresponding contributions/distributions. It was developed throughout 2024 and released in January 2025 as one critical deliverable of ILPA’s Quarterly Reporting Standards Initiative (QRSI), alongside an update to the ILPA Reporting Template (Reporting Template).

To deliver the next evolution of ILPA quarterly reporting standards, ILPA launched the Quarterly Reporting Standards Initiative (QRSI), a collaborative, industry-wide effort. QRSI was initially formed to respond to the Quarterly Statements rule within the U.S. Securities and Exchange Commission (SEC) Private Fund Adviser’s (PFA) rule, with QRSI’s initial framework based on creating a solution that adhered to the PFA’s requirements. When that rulemaking effort was vacated by the U.S. Fifth Circuit Court of Appeals, ILPA shifted QRSI’s focus to develop a purely industry-driven solution more closely aligned with the industry’s pressing needs. The end results of QRSI - the [Reporting Template](#) and Performance Template - represent a meaningful step towards greater transparency and standardization for reporting and compliance, which are critical to supporting the alignment of interest and partnership between General Partners (GPs) and Limited Partners (LPs).

ILPA’s engagement throughout the QRSI encompassed LPs, GPs and Service Providers (including Fund Administrators, Custodians, Consultants, Compliance Firms, Law Firms, Accountants, Technology Providers and numerous industry trade bodies) through a Steering Committee, core Working Groups and larger connected body (referred to as a Satellite Group). This structure provided oversight for the initiative (Steering Committee), dedicated groups to engage with on each template on a weekly basis (core Working Groups) and an overarching group receiving updates, providing feedback and engaging in monthly meetings (Satellite Group). These groups were intentionally comprised of participants from a diverse array of geographies, sizes and types to capture perspectives on the points most important to address in an industry-led solution.



**ILPA’s Quarterly Reporting Standards Initiative (QRSI) convened 250+ distinct organizations and even more individuals to discuss, debate, draft, vet and validate elements of the new templates.**

## Steering Committee

ORGANIZATION	ORGANIZATION TYPE
CalPERS	LP
CDPQ	LP
Commonwealth of Pennsylvania Public School Employees Retirement System	LP
State of Wisconsin Investment Board	LP
Teacher Retirement System of Texas	LP
Cerberus	GP
Searchlight Capital Partners	GP
Vista Equity Partners	GP
Asia Alternatives	Fund of Fund
CSC	Fund Administrator
State Street	Fund Administrator

## Working Group (Performance Template)

ORGANIZATION	ORGANIZATION TYPE
Commonwealth of Pennsylvania Public School Employees Retirement System	LP
M&G	LP
Temasek	LP
Washington State Investment Board	LP
Certares	GP
Oaktree Capital Management	GP
Searchlight Capital Partners	GP
Vista Equity Partners	GP
ACA	Consultant
Albourne	Consultant
Cambridge Associates	Consultant
CSC	Fund Administrator
Gen II	Fund Administrator
State Street	Fund Administrator

## A Collaborative Industry Effort

To ensure a fully transparent and collaborative process with the final design, ILPA ran a 10-week public comment period over the Summer and Fall of 2024, with over **100** responses providing in-depth feedback on the templates, including structural items (i.e., implementation window, application to legacy funds, considerations across different GP types) and line-item specific feedback. This public comment period was held in addition to several rounds of surveying the Working Groups and Satellite Group throughout the initiative. Feedback received during the comment period was also coupled with a series of targeted discussions with individual organizations and groups across different segments (i.e., Fund of Funds, smaller GPs, European GPs) to further strengthen the final design.

By working collaboratively across the industry, ILPA sought to uncover and address the complex issues and differing practices that should be considered by all stakeholders to promote greater standardization that would ensure the widest adoption possible around the globe and throughout the PE industry.



# Project Timeline

## February 2024

### Execution Phase

Kicked off weekly QRSI Working Group sessions with two distinct workstreams dedicated to brainstorming, discussing and drafting the updated templates based on the requirements set forth in the PFA Rules. The QRSI Working Groups featured LP, GP and Service Provider representatives from leading industry organizations, and sought to include global perspectives.

## June 2024

### PFA Rules Vacated

Launched the public comment period to obtain feedback on the new templates from the broader industry. Two days after launch of the public comment period, the U.S. Fifth Circuit vacated the PFA Rules; the comment period was paused. The templates were revisited to ensure that any updates would align with the most pressing industry needs.

## October 2024

### Public Comment Period Close & Template Finalization

Closed the public comment period after receiving 100+ submissions, including feedback from multiple organizational types and geographies. Re-engaged QRSI Working Group, Satellite Groups and Steering Committee to begin finalizing template elements ahead of public release in January.

## January 2024

### QRSI Launch

ILPA launched the Quarterly Reporting Standards Initiative (QRSI) to deliver an updated ILPA Reporting Template and a new ILPA Performance Template based on the U.S. SEC's Private Fund Adviser (PFA) Rules.

## April 2024

### Continuous Industry Engagement

Broadened engagement throughout the PE industry by commencing monthly QRSI Satellite Group meetings to provide updates on the latest initiative activities to impacted stakeholders. The QRSI Satellite Groups included LPs, GPs, Fund of Funds, Fund Administrators, Consultants, Industry Groups, Law Firms and Tech Providers to ensure a diverse range of perspectives factored into template updates.

## August 2024

### Public Comment Period Launch

Following the fundamental shift in QRSI efforts from adherence to the now-vacated PFA Rules to a bottom-up, adoption-driven approach, relaunched the public comment period for an extended 10-week period with the release of comprehensive surveys aligned to each template.

## January 2025

### Public Release of Templates to Industry

Finalized remaining template elements in collaboration with initiative participants, began collecting formal endorsements and released the ILPA Reporting Template and ILPA Performance Template to the industry.





# Key Features of the Performance Template

- 3 Introduction of a fund-level performance table that is based on the cash flows between the Fund and its investors and displays:
- The net IRR and TVPI both with and without the impact of fund-level subscription facilities
  - The gross IRR and TVPI both with and without the impact of fund-level subscription facilities (Optional metric)
  - Introduction of a Portfolio-level transaction type mapping table to illustrate impact of each transaction type on gross portfolio-level (fund-to-investment) performance metrics.

Fund Performance (Fund ↔ Investor Cash Flows)				
Performance Measure	With Impact of Fund-level Subscription Facility		Without Impact of Fund-level Subscription Facility	
	Gross (Optional)	Net	Gross (Optional)	Net
IRR	#NUM!	#NUM!	#NUM!	#NUM!
MOIC/TVPI	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

- 4 Introduction of a gross portfolio-level performance table that is based on the inception-to-date cash flows between the Fund and its investments and displays:
- The gross IRR and MOIC for the Realized Portfolio (Optional for Fund of Funds)
  - The gross IRR and MOIC for the Unrealized Portfolio (Optional for Fund of Funds)
  - The gross IRR and MOIC for the Total Portfolio

Gross Portfolio Performance (Fund ↔ Investment Cash Flows)			
Performance Measure	Realized Portfolio	Unrealized Portfolio	Total Portfolio
Gross IRR			
Gross MOIC			

# Key Features of the Performance Template

- 5 Introduction of a net portfolio-level performance table that is based on the inception-to-date cash flows between the Fund its investments and displays:
  - The net IRR and MOIC for the Realized Portfolio (Optional for Fund of Funds)
  - The net IRR and MOIC for the Unrealized Portfolio (Optional for Fund of Funds)
  - The net IRR and MOIC for the Total Portfolio
    - See **Section VII** and **Section VIII** for additional detail regarding net portfolio-level performance calculation methodology, and the regulatory requirement for GPs to include net portfolio-level performance metrics in their materials, respectively.
- Values should be presented at the ‘Cumulative Fee-paying LP’s Allocation of the Total Fund’ only.

Net Portfolio Performance (Fund ↔ Investment Cash Flows)			
Performance Measure	Realized Portfolio	Unrealized Portfolio	Total Portfolio
Net IRR			
Net MOIC			

Outside of the above, the Performance Template does allow for some GP flexibility.

- See **Section V** for additional guidance surrounding GP-driven definitions of “Fee-Paying LPs.”
- See **Section VI** for additional guidance surrounding GP-driven definitions of the ‘Fund’ and consolidation methodology. Section VI also contains guidance surrounding GP-driven definitions of various other parameters.
- See **Section VII** for details regarding various fund-level gross calculation methodologies.
- See **Section IX** for additional guidance on acceptable GP modifications.

Lastly, ILPA is not defining “realized” or “unrealized.” Funds need to be consistent in their definitions and provide appropriate disclosures.



# Overview of the Performance Template

<b>Focus</b>	Designed with closed-end Funds in mind
<b>Application Outside of Closed-End Funds</b>	The structure is best suited for closed-ended Funds and Funds that utilize the IRR as the primary indicator of performance - open-ended Funds, or Funds that rely on the TWR or other performance indicators, may not find that this template fits their needs
<b>Types of Funds</b>	Applicable for traditional closed-end Private Equity Funds, Venture Capital Funds, Private Credit Funds, Real Estate Funds, Real Assets Funds and corresponding Fund-of-Funds, Secondary Funds and GP Stakes Funds - applicable for all geographies
<b>Considerations Across GPs</b>	Same requirements across GPs regardless of size of GP (smaller GPs or Mid-Market GPs) or if GP is an Emerging Manager
<b>Levels of Reporting</b>	Cumulative Fee-Paying LP's Allocation
<b>Periodicity</b>	ITD
<b>Frequency</b>	Quarterly
<b>Implementation Date</b>	Data capture beginning in Q1 2026 (i.e., data as of March 31, 2026) - first delivery should occur four full fiscal quarters after the commencement of operations with the first delivery in Q1 2027 (i.e., the first quarter that the Performance Template is used would be after March 31, 2027, with ITD data through March 31, 2027)
<b>Funds Expected to Use Performance Template</b>	Provide for Funds commencing operations on or after January 1, 2026
<b>Legacy Funds</b>	Not applicable - should only be provided on a go-forward basis for Funds commencing operations on or after January 1, 2026
<b>First Delivery After Fund Commences Operations</b>	Reporting should begin after four full fiscal quarters after the commencement of operations

## Commencement of Operations

For the purposes of reporting, the “Commencement of Operations” should be consistent with other financial reporting for the Fund/reporting entity (i.e., financial statements) - a Fund (or the reporting entity) may be deemed to have commenced operations upon its initial drawdown from a subscription facility, its first capital call from its LPs or when it begins to incur management fees

## Timing of Delivery After Quarter-End

Ultimately this is determined by the Fund’s LPA and other governing documents and jurisdictional requirements - with the general framework that ILPA is promoting being:

- For Direct Funds - within 60 days after quarter-end except for the quarter-end occurring at fiscal year-end (120 days).
- For Fund-of-Funds - within 120 days after quarter-end except for the quarter-end occurring at fiscal year-end (180 days).
- For Fund-of-Fund-of-Funds - within 180 days after quarter-end except for the quarter-end occurring at fiscal year-end (260 days).

## Connections to LPAs and Accounting Standards

Reporting should be aligned with the financial reporting framework identified in the Fund’s LPA and other governing documents, as well as the relevant accounting standards (i.e., U.S. GAAP, IFRS or other comprehensive basis of accounting), as it relates to (non-exhaustive list):

- Definition of the reporting entity (i.e., the Fund), including the decision to present on a combined and consolidated basis
- Definition of “Fee-Paying” investors
- Timing of delivery after quarter-end
- Gross performance calculation methodology

## Connections to Existing GP Reporting

Supplemental, to be included in addition to existing GP reporting on a quarterly basis, including financial statements (i.e., audited and unaudited financial statements and PCAPs)

## Level of Details

Standardized levels of details are included in the Performance Template for fund-to-investor cash flows (effective date, amount and transaction description) and performance metrics (with required and optional metrics)

## Modifications

Modifications to the prescribed mapping for performance metrics may be made, but should be clearly footnoted - otherwise, modifications should not be made by LPs and GPs alike to promote greater standardization

## Optionality

While modifications are fairly restricted, there are fields with limited optionality (non-exhaustive list):

- Granular vs. Gross Up Methodology
- Performance Metrics

# Performance Template Objectives

The Performance Template seeks to provide visibility—in a standardized format—into the cash flows and corresponding performance metrics LPs experience when investing in a Fund.

The Performance Template is intended to be supplemental to existing reporting GPs provide on a quarterly basis and should be completed in such a way as to align with the practices outlined in LPAs and other governing documents, as well as the accounting standards used by GPs (i.e., U.S. GAAP, IFRS or other comprehensive basis of accounting) for financial reporting (i.e., audited and unaudited financial statements).

This standardized and supplemental nature is key as all GPs report in different formats with various levels of granularity. A standardized format as presented in the Performance Template allows for easy comparison of key performance metrics across Funds in a LP's private equity portfolio. This in turn, can serve as a foundation for meaningful, ongoing monitoring, in addition to providing a framework for analysis of GPs with whom LPs are considering a future investment. Additionally, the standardized reporting is intended to reduce the volume of ad-hoc requests GPs receive from LPs.

The Performance Template has four main components: the Cash Flow table, the Fund Performance table, the Gross Portfolio Performance table and the Net Portfolio Performance table.

The **Cash Flow table** aims to provide investors with the transaction types, dates and amounts needed for the recalculation of fund-level performance metrics. For the purposes of the Performance Template, "fund-level" refers to the transactions occurring between the Fund and its investors.

The **Fund Performance table** aims to provide investors with the following since-inception performance measures, which are based on cash flows between the Fund and its investors:

- Gross IRR and gross TVPI for the illiquid Fund, both with and without the impact of fund-level subscription facilities (*Optional*)
- Net IRR and net TVPI for the illiquid Fund, both with and without the impact of fund-level subscription facilities

The **Gross Portfolio Performance table** aims to provide investors with the following since-inception performance measures, which are based on cash flows between the Fund and its investments:

- Gross IRR and gross MOIC for the realized portfolio (*Optional for Fund of Funds*)
- Gross IRR and gross MOIC for the unrealized portfolio (*Optional for Fund of Funds*)
- Gross IRR and gross MOIC for the total portfolio

The **Net Portfolio Performance table** aims to provide investors with the following since-inception performance measures, which are based on cash flows between the Fund and its investments:

- Net IRR and net MOIC for the realized portfolio (*Optional for Fund of Funds*)
- Net IRR and net MOIC for the unrealized portfolio (*Optional for Fund of Funds*)
- Net IRR and net MOIC for the total portfolio



SECTION 2

# Template Guidance



# Performance Template Guidance

This guidance is intended to provide the core context and clarifications to allow LPs, GPs and Service Providers to utilize the Performance Template most effectively. Any changes made to this guidance or the Performance Template itself in the future will be clearly noted within any updated materials and on the ILPA website. ILPA encourages interested parties to consult [ilpa.org/performance-template](https://ilpa.org/performance-template) to ensure they are reviewing the latest version of this guidance and the Performance Template.

Throughout the implementation window and into adoption, ILPA will continue to monitor the challenges faced by LPs, GPs and Service Providers to identify additional materials needed to supplement this core guidance and to support the Performance Template's implementation across the industry. Supplemental resources that go into greater depth on specific issues is currently [available](#), and ILPA will continue to add to the suite of supplemental resources moving forward. ILPA encourages interested parties to consult [ilpa.org/performance-template](https://ilpa.org/performance-template) for the latest supplemental resources and to reach out to [templatesupport@ilpa.org](mailto:templatesupport@ilpa.org) with any questions or suggestions for additional clarity.

This guidance and the design of the Performance Template itself addresses the reality that individual LPs and GPs may have unique needs, and that resources and infrastructure to support the preparation and requesting of the information within the template will vary. Emphasis is placed on standardization through the Performance Template to supplement existing reporting in a manner that makes it easier for LPs to consume and compare information on cash flows and performance metrics. ILPA does not expect that GPs would deviate from their quarterly reporting (such as financial statements) and the relevant standards or definitions that are laid out in the Fund's LPA and other governing documents or the Fund's accounting policies (under U.S. GAAP, IFRS or other comprehensive basis of accounting) as used for financial reporting. Therefore, this guidance lays out opportunities for optionality in certain areas to accommodate different practices, within reason.

The ultimate responsibility for determining how the Performance Template can be used to support needs lies with individual LPs and their GPs (and the associated Service Providers). ILPA recommends that LPs and GPs carefully consider the following when deciding how the Performance Template is to be utilized within a GP's quarterly reporting package.

## I. Implementation Timing

GPs should be prepared to begin capturing cash flows in accordance with the Performance Template during Q1 2026, for Funds that commence operations on or after January 1, 2026. There is no requirement that pre-existing Funds would need to provide the required performance metrics and cash flows dating back to inception of the Fund.

During the initial implementation period (beginning in January 2025 and lasting through March 2026), GPs should inquire with LPs about their timing expectations for implementation to allow ample time for any necessary changes to be made to the processes, technology and resources to deliver the Performance Template.

To support the industry's adoption of the Performance Template, ILPA has included an initial implementation window of over one year in recognition of the work that will need to be done to implement these changes, including having an active dialogue between GPs and LPs. Given that the scope of these changes in procedure and operations will depend on the size, complexity and infrastructure of each firm's operations, GPs should not wait to engage with their LPs and Service Providers about adopting the Performance Template.

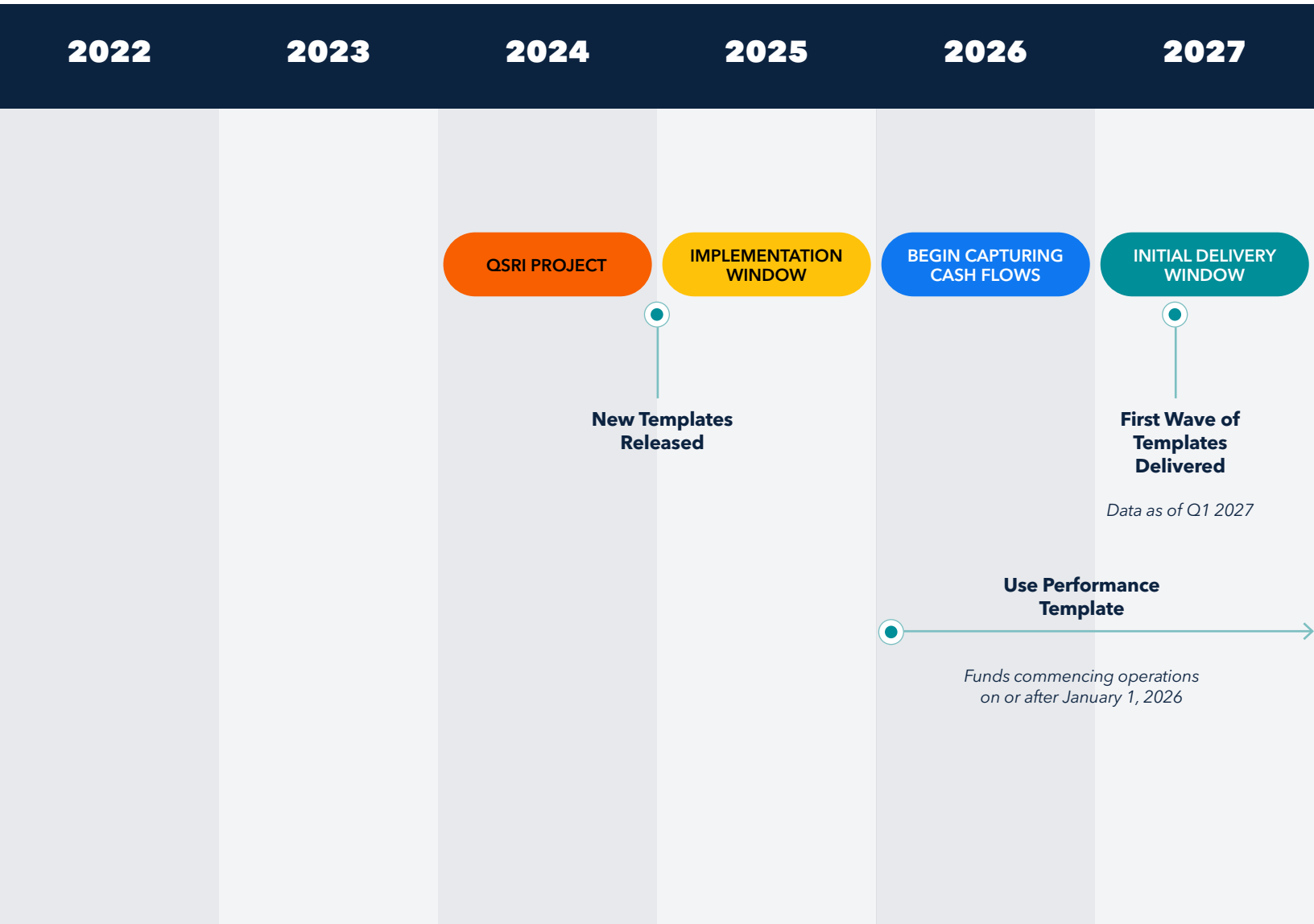


ILPA anticipates that the timing and process for each GP’s transition to provide the information within the Performance Template will significantly improve the earlier GPs start the implementation process. GPs should inquire about their LPs’ expectations for adoption (even prior to a fundraising process) to help align expectations and provide ample time to transition. LPs are also asked to begin requesting the Performance Template as part of these conversations. Therefore, it is imperative for GPs to engage in active dialogue with their LPs (and vice versa) at the earliest opportunity to help start the transition process.

The Performance Template is intended to be provided on a go-forward basis for all Funds commencing operations on or after January 1, 2026. GPs should be prepared to begin capturing data for these Funds in Q1 2026. The first delivery of the Performance Template should occur four full fiscal quarters after the commencement of operations and include cash flow data dating back to inception. In practice, this means that the first delivery of the Performance Template should occur after March 31, 2027.

For the purposes of reporting, the “Commencement of operations” should be consistent with other financial reporting for the Fund/reporting entity (i.e., financial statements). A Fund (or the reporting entity) may be deemed to have commenced operations upon its initial drawdown from a subscription facility, its first capital call from its LPs or when it begins to incur management fees. This commencement date typically aligns with or falls shortly after the initial closing date of the Fund.

## ILPA Performance Template Implementation Timeline



## II. Frequency, Timing and Delivery

The Performance Template is designed to standardize the approach for the industry to provide performance reporting. As such, the Performance Template should serve as a supplement to a Fund's standard quarterly reporting. ILPA recommends that the Performance Template is provided on a quarterly basis along with or within a reasonable timeframe after the release of standard quarterly reporting provided by GPs as mandated by the Fund's LPA and other governing documents and jurisdictional requirements. The Performance Template is not intended to be a substitute for any other reports, including capital call and distribution notices.

The Performance Template is intended to be provided on a go-forward basis for all Funds launched on or after the conclusion of the implementation window in Q1 2026.

This means that for any Fund fundraising or expecting to commence operations on or after Q1 2026, GPs should ensure they are taking steps to implement the Performance Template with enough runway to begin capturing cash flows as of Q1 2026.

For the timing of delivery after quarter-end, GPs should follow the timing determined by the LPA and other governing documents and jurisdictional requirements - with the general framework that ILPA is promoting being:

- For Direct Funds (i.e., not Fund-of-Funds) - within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Fund and 120 days after the end of each fiscal year
- For Fund-of-Funds - within 120 days after the end of each of the first three fiscal quarters of each fiscal year of the Fund and 180 days after the end of each fiscal year
- For Fund-of-Fund-of-Funds - within 180 days after the end of each of the first three fiscal quarters of each fiscal year of the Fund and 260 days after the end of each fiscal year

The Performance Template should be provided in Excel or digital format that is compatible with reporting software systems and allows for aggregation and analysis of information. To maximize the usefulness of the data being presented, PDF format is not recommended.

## III. Application to Legacy Funds

ILPA acknowledges that a substantial cost can accompany a review of prior periods' performance calculations; therefore, the Performance Template is only expected to be provided on a go-forward basis for Funds commencing operations on or after January 1, 2026.

## IV. Consistent Implementation Timing Across Emerging Managers, Smaller GPs and Mid-Market GPs

Among the issues specifically tested during the 10-week public comment period was a consideration for providing additional time to Emerging Managers, smaller GPs and Mid-Market GPs to implement the Performance Template. Feedback from preparers (GPs and Fund Administrators) and requestors (LPs and Consultants) pointed towards a desire to have all GPs in the PE industry held to a uniform implementation timeline. LPs should factor in the size, back-office resources, operating budgets and complexity of the Funds managed by their GPs when determining their requirements for Performance Template compliance.

To accommodate real-world challenges with a uniform implementation timeline for all GPs, ILPA encourages GPs to talk with their LPs at the earliest opportunity about their plans for implementation. While the Performance Template was created based on engagement with a diverse array of GPs and with their interests in mind, ILPA recognizes that Emerging Managers, smaller GPs and Mid-Market GPs may not have the staffing or technology resources to implement the Performance Template by the Q1 2026 target without reducing their effectiveness in other areas. ILPA recommends that LPs investing in these GPs align with their GPs on the timing of adoption that would be sufficient to meet their compliance and investment monitoring needs.

## V. Level of Reporting

The Performance Template is intended to display performance for the Cumulative Fee-Paying LP's Allocation of the Total Fund (i.e., the IRRs and TVPIs should be calculated on the aggregated Cash Flow streams and NAVs for all fee-paying investors). This template should not be used to calculate investor-specific performance.

"Fee-paying LPs" generally refers to limited partners who are either actively paying a management fee or carried interest (full or reduced amount) to the GP or its affiliates for their investment services or who may be/may have been subject to paying a management fee or carried interest. However, this definition may vary among GPs, so GPs should clearly indicate what investor types they consider to be "Fee-Paying LPs".

In some instances, the net IRRs reported in financial statements may also include non-fee paying investors. The subset of investors included in the performance metric calculations in the Performance Template should be consistent with other performance reporting for the Fund (i.e., financial statements). GPs should clearly indicate what investor types are included in the performance metric calculations, especially where non-fee paying investors may be included.

## VI. Conformity to the LPA and Accounting Standards

The values presented in the Performance Template should be consistent with a Fund's LPA and other governing documents, including its valuations policy, and its existing financial standards and policies (under U.S. GAAP, IFRS or other comprehensive basis of accounting). Performance Template values for NAV, call/distribution amounts, carry/clawback, subscription facility activity, etc. should be calculated within the framework of a Fund's LPA, including its valuation policy. Further, template values should be consistent with the values presented in a Fund's other financial reporting, including audited and unaudited financial statements and PCAPs, where applicable.

The definition of the Fund provided in the Performance Template is intended to align with the reporting entity defined in the audited and unaudited financial statements provided to LPs under the relevant accounting standards given the in-depth evaluation that takes place between the GP and its auditor to review all the facts and circumstances to determine the appropriate basis of presentation, including the decision to present on a combined/consolidated basis.

For Feeder Funds, the intention is for the GP to consolidate in the same fashion as presented in other disclosures in accordance with the Fund's accounting standards (i.e., U.S. GAAP, IFRS or other comprehensive basis of accounting) for financial reporting.

Other instances may exist where the Performance Template either does not define various parameters, or suggests a definition, but ultimately defers to the Fund-specific definition (i.e., definition of "Fund," definition of "Fee-paying LPs," definition of "commencement of operations," definition of "operating results," etc.) GPs are encouraged to use the ILPA-suggested definition, where one exists, if the parameter has not yet been defined by the GP; otherwise, GPs should continue to use their own definitions to ensure alignment between the performance metrics calculated in the Performance Template and the performance metrics calculated in the Fund's financial statements. The goal of the Performance Template is to serve as a supplement to the reported performance metrics, not to offer a new set of performance metrics that would need to be reconciled with the financial statements. Any GP-specific definitions should be disclosed in the footnotes section at the bottom of the template.

As an exception to the above, ILPA recommends that GPs adopt ILPA's prescribed cash flow and transaction type mapping found in the Performance Template. The granularity and formulas embedded in the template is foundational to the objective of the Performance Template - standardizing the presentation and treatment of certain transaction types and cash flows that are used to calculate performance metrics. This allows LPs to conduct more meaningful, plan-level analysis of GP-specific performance across their PE portfolio in a more efficient manner. See **Section X** for additional information regarding **GP Modifications and Optionality with the Performance Template**.

## VII. Fund Performance Table: Fund-Level IRR and TVPI Calculation Methodologies

This Performance Template is built to accommodate the Granular Methodology regarding the inclusion/exclusion of certain transaction types in the fund-level IRR and TVPI calculations. The full mapping table can be found on the 'Transaction Type Mapping' tab of the Excel Template.

ILPA has also developed a second Performance Template that excludes certain transaction types (i.e., capital calls for management fees or partnership expenses) from the fund-level gross performance calculations. This methodology is better suited for GPs who call capital on a granular basis or who itemize their capital calls. This Performance Template can be accessed using the link below:

[Performance Template - Granular Methodology](#)

A comparison of the methodologies is available at the link below:

[Supplemental Guidance - Methodology Comparison](#)

## VIII. Portfolio Performance Tables: Gross and Net Portfolio-Level IRR and MOIC Calculation Methodologies

The Portfolio Performance Table is a summary table where GPs are able to display the return metrics for the unrealized and realized portions of the portfolio, as well as for the total portfolio. ILPA is not offering guidance regarding the definition of “realized” or “unrealized”, but rather Funds need to be clear and consistent in their definitions and provide disclosures surrounding methodology.

ILPA is not offering a cash flow template in order to assist GPs with the calculation of portfolio performance metrics as the number of transactions that may occur over the life of the Fund can be extensive. However, recommended transaction type mapping regarding the inclusion/exclusion of certain transaction types in the IRR and TVPI calculations can be found on the ‘Transaction Type\_Portfolio’ tab of the Excel Template.

Net portfolio-level IRRs may be calculated by applying the ratio or spread of the Fund-level Net IRR:Fund-level Gross IRR to the Portfolio-level Gross IRR. The ratio or spread between the fund-level metrics are used as multipliers on the Realized Portfolio-Level Gross IRR, the Unrealized Portfolio-Level Gross IRR and the Total Portfolio-Level Gross IRR to synthesize Portfolio-level Net Returns. Similarly, the Portfolio-level Net MOIC is a synthetic calculation that can be calculated by applying the ratio or spread of the Fund-level Net TVPI: Fund-level Gross TVPI to the Realized Portfolio-Level Gross MOIC, the Unrealized Portfolio-Level Gross MOIC and the Total Portfolio-Level Gross MOIC.

## IX. Marketing Rule Implications

The following metrics are captured in the Performance Template:

“FUND-LEVEL PERFORMANCE” BETWEEN FUND AND INVESTORS		“PORTFOLIO-LEVEL PERFORMANCE” BETWEEN FUND AND INVESTMENTS		
With Impact of Fund-level Subscription Facilities	Without Impact of Fund-level Subscription Facilities	Realized Portfolio	Unrealized Portfolio	Total Portfolio
Net IRR	Net IRR	Gross IRR	Gross IRR	Gross IRR
Net TVPI	Net TVPI	Gross MOIC	Gross MOIC	Gross MOIC
Gross IRR (Optional)	Gross IRR (Optional)	Net IRR	Net IRR	Net IRR
Gross TVPI (Optional)	Gross TVPI (Optional)	Net MOIC	Net MOIC	Net MOIC

● Required     
 ● Recommended     
 ● Required to comply with Marketing Rule

In relation to Performance Advertising, the SEC's Marketing Rule requires:

- 1) Where gross performance metrics are included in advertising or marketing materials, they must be accompanied by net performance metrics that are calculated over the same time period and using the same type of return and methodology as the gross performance metrics.
- 2) Whenever performance metrics that are calculated with the impact of fund-level subscription facilities are included in advertising or marketing materials, they must be accompanied by performance metrics that remove the impact of fund-level subscription facilities.

In practice:

Most private fund GPs will present Gross IRRs/MOICs using portfolio-level cash flows, and Net IRRs/TVPIs using fund-level cash flows.

- The Fund-level Net calculations typically begin with the Fund's first capital call and include the impact of fund-level subscription facilities. They are inherently "with" calculations.
- The Portfolio-level Gross calculations typically begin at the time of investment, regardless of the source of the funding (capital call or subscription facility drawdown). They are inherently "without" calculations.

These distinctions matter because the start dates, cash flows and use of leverage are different in the two calculations. Presenting only the Fund-level Net calculations (with the impact of the fund-level subscription facility) and the Portfolio-level Gross calculations (without the impact of the fund-level subscription facility) is a violation of the Marketing Rule.

**Fund-level Net Performance:** The 'Fund Performance' table on the template tab auto-calculates fund-level net performance metrics both with and without the impact of fund-level subscription facilities. It satisfies the requirement that where fund-level Net performance metrics calculated with the impact of fund-level subscription facilities are displayed, fund-level Net performance metrics that remove the impact of fund-level subscription facilities must also be displayed.

**Fund-level Gross Performance:** The 'Fund Performance' table on the template tab also auto-calculates fund-level gross performance metrics both with and without the impact of fund-level subscription facilities. These calculations are optional. The Marketing Rule requires that all gross performance metrics be accompanied by corresponding net performance metrics; however, it does not require that net performance metrics be accompanied by corresponding gross performance metrics.

**Portfolio-level Gross Performance:** The 'Gross Portfolio Performance' table on the template tab must be manually completed by GPs; these fields will not auto-calculate.

**Portfolio-level Net Performance:** The 'Net Portfolio Performance' table on the template tab must also be manually completed by GPs when the template is used for the purposes of marketing or advertising. This will satisfy the Marketing Rule requirement that gross performance metrics included in advertising or marketing materials be accompanied by net performance metrics that are calculated over the same time period and using the same type of return and methodology.

There is no need to consider the impact of fund-level subscription facilities when calculating portfolio performance as these calculations are inherently "without" calculations. The Marketing Rule requires that all performance metrics calculated "with" the impact of fund-level subscription facilities be accompanied by corresponding "without" performance metrics; however, it does not require that performance metrics calculated "without" the impact of fund-level subscription facilities be accompanied by corresponding "with" performance metrics.

## X. GP Modifications and Optionality with the Performance Template

ILPA does not require GPs to use this particular Excel workbook and the formula-driven functionality built to provide the cash flow and performance data; rather, ILPA recognizes that many GPs would prefer to use their own reporting and performance measurement software, where the values may be hardcoded and not subject to the formulas contained within this Excel workbook. However, for GPs to remain in compliance with ILPA reporting guidelines, GPs' calculation methodologies should be adjusted to mirror the transaction type detail and mapping as embedded in this template. GPs should disclose any deviations within the footnotes section of the template.

Due to variances in calculation methodology, some fields and transaction types in the template may be more meaningful to a GP and their investors if modified. Some examples of line items or fields that may be treated differently between GPs include (non-exhaustive list):

- **Effective Date:** The Effective Date should reflect the date on which the transaction occurred (i.e., the date on which cash moved). For example, the effective date for capital calls should be the due date of the call, not the date the notice was distributed. If different dates are used, this should be disclosed in the footnotes section at the bottom of the template.
- **Distribution: Permanent & Carried Interest:** Some GPs prefer to display distributions to LPs as net-of-carry, then add back carried interest when calculating gross performance. Others may prefer to display distributions as gross-of-carry, then subtract out the carried interest when calculating the net returns. The template is currently built to capture the former (distributions are net-of-carry) methodology. Should GPs opt for the latter, it should be disclosed in the footnotes section at the bottom of the template.
- **Distribution: Recalable:** Some GPs prefer to calculate performance metrics gross of recalable distributions, while others may prefer to calculate performance metrics net of recalable distributions. The template is currently built to capture the former (gross-of-recalables) methodology. Should GPs opt to alter this mapping, it should be disclosed in the footnotes section at the bottom of the template.
- **Recycled Capital:** The Performance Template does not include transaction types to account for recycled capital, or capital that has been earned by the Fund as income or resulting from a realization event and reinvested or used to pay fees/expenses, etc. Some GPs prefer to capture the gross transactions, while others may prefer to only capture the net transactions. The template can accommodate either methodology - GPs should disclosure their preferred treatment of deemed contributions/distributions in the footnotes section at the bottom of the template.

All instances of modifications to the Performance Template should be disclosed in the footnotes section of the template.

## XI. LP Modifications and Adherence to the Performance Template

One of the many benefits of a standardized Performance Template is the reduced need for the GP community to process numerous, bespoke fee template requests from LPs. A single standard will make the reporting process more efficient and, over time, allow for greater comparability of information across GPs and portfolios. As such, LPs should not modify any of the transaction types or mapping within the Performance Template.

However, LPs may request supplemental schedules that provide more clarity or additional information (i.e., investor-specific transactions, which is outside the scope of this template). GPs should use their discretion when accommodating these supplemental Performance Template requests.

Furthermore, LPs that adopt the Performance Template are encouraged to transition away from using any customized template format that they are currently using to collect the same data provided in the Performance Template. While it is understandable that they may use both their legacy format and the template for a short period, it is counterproductive to encouraging broad adoption of these reporting standards to require the GP community to report in multiple formats over an extended period of time. For the avoidance of doubt, LPs that continue to request performance and cash flow information via multiple formats after a reasonable transition period are not in compliance with these guidelines.

## XII. Footnotes

A Footnotes section is provided at the bottom of the Performance Template. GPs are encouraged to use this space to pre-emptively describe treatment such as (non-exhaustive list):

- The definition of the Fund being reported on, including whether presented on a combined and consolidated basis, as discussed in [Section VI](#)
- The definition of “Fee-Paying Investors” being used, as discussed in [Section V](#)
- Any other definitions of parameters defined by the GP, as discussed in [Section VI](#)
- Any modifications to the embedded transaction types, transaction type mapping or calculation methodology, as discussed in [Section X](#)
- Methodology as it pertains to calculating net portfolio performance metrics, as discussed in [Section VIII](#)
- Any other disclosures commonly included alongside performance figures, as may be required by internal compliance and other regulatory requirements



### XIII. Miscellaneous

- The Performance Template was designed as a tool for standardizing cash flow presentation and performance metric calculation. It was not designed for verifying any of the GP's calculations for these amounts. To remain focused on this goal, certain metrics and terms used in the calculations (i.e., current management fee rate, preferred return rate, carry percentage, waterfall calculations, etc.) are intentionally withheld from the Performance Template.
- Excel's XIRR function will return an error value if the first value in the column is a zero. Some suggested workarounds include:
  - Group calculation types in the template so that the top row in an XIRR calculation is not zero. (i.e., Group all capital calls for investments together at top).
  - Input an immaterial value (i.e., \$0.00001) in the place of any leading zeroes.
  - Other alternatives may exist and should be described in the footnotes at the bottom of the Performance Template.

