FREE DOWNLOAD FOR LPS AND ANALYSTS

LP Report Review Scorecard

A 12-check review of a private equity manager's quarterly report, aligned to ILPA guidance.

12 CHECKS · 5 TIE-OUTS · 10 QUESTIONS

What this is. This scorecard helps limited partners (LPs, the investors in a fund) and their analysts check whether a private equity manager's quarterly report contains what it should, and whether it follows the published guidance of the Institutional Limited Partners Association (ILPA, a global body of fund investors). Work through the 12 checks with the report open, give each one a score, then run the five tie-out tests and send the manager the questions that match your weakest scores. It is written in plain English and does not need a fund accounting background.

HOW TO USE IT

1. **Gather the pack**
   This quarter's report, last quarter's report, the fee and expense template, capital call and distribution notices, and the limited partnership agreement (LPA, the contract between the manager and investors) plus any side letters.

2. **Score the 12 checks**
   Read what to look for and the red flag, then tick 0, 1 or 2. Be strict: if you have to guess, it is not a 2.

3. **Run the tie-outs**
   Use the five tests on page 4 to check that the key numbers add up and agree with each other.

4. **Ask and track**
   Send the questions linked to any check scored 0 or 1, and repeat the review next quarter to see what improved.

Scoring rule

0
Missing
Not in the report, or you cannot find it.

1
Partial
Present, but unclear, incomplete or hard to check.

2
Clear and complete
Easy to find, fully explained and checkable.

/24
12 checks × 2 points

Each check is scored 0, 1 or 2. Add the 12 scores for a total out of 24, then read the verdict bands on page 5. A matching Excel version adds the total for you.

Fund reviewed _____ Quarter reviewed _____

Reviewer _____ Date of review _____

THE 12 CHECKS · PART 1

Fund-level numbers

Checks 1 to 6 cover timing and the core numbers: your capital account, what you paid, and what you still owe.

1 Timing of delivery

Delivered within ILPA's suggested time frame

WHAT TO LOOK FOR

ILPA's suggested guidance says funds that invest directly should report within 60 days of quarter end, or 120 days after the quarter that ends the fiscal year (funds of funds: 120 and 180 days). A new fund's first report should follow the first full quarter of operations, or come within 18 months of the first investor closing, whichever is sooner. The LPA has the final say.

RED FLAG

Reports arrive late quarter after quarter with no notice or reason, or the report carries no date.

SCORE

0 1 2

If 0 or 1, send question 1

2 Capital account and NAV roll-forward

Opening value rolls to closing value

WHAT TO LOOK FOR

Your capital account statement (the record of your stake) starts at last quarter's closing net asset value (NAV, the value of your share of the fund) and moves to this quarter's closing NAV through contributions, distributions, fees, expenses, income, gains and losses. Values are shown both after and before carried interest.

RED FLAG

The opening value does not match last quarter's closing value and nothing explains the gap, or a balancing figure appears.

SCORE

0 1 2

If 0 or 1, send question 3

3 Fees, expenses and offsets

What you paid, before and after offsets

WHAT TO LOOK FOR

The management fee is shown gross, then less any offsets, rebates or waivers, then net. Charges from the manager's own team are shown apart from costs paid to outside firms. An offset is a fee the manager earns elsewhere that lowers what you pay; any unused offset balance is carried forward.

RED FLAG

Only one net number is shown, the fee cannot be traced back to the LPA basis, or an offset balance disappears without explanation.

SCORE

0 1 2

If 0 or 1, send question 5

4 'Other' amounts explained

Every 'Other' line has a footnote

WHAT TO LOOK FOR

ILPA asks managers to describe any amount booked as 'Other'. Check the footnotes for a short explanation of each one. Lines that do not apply should show zero rather than being deleted, and any alternative treatment the guidance allows should be footnoted.

RED FLAG

'Other' amounts are large or growing, footnotes are missing, or lines have been removed or left blank.

SCORE

0 1 2

If 0 or 1, send question 4

5 Carried interest accrued and paid

The manager's profit share is reconciled

WHAT TO LOOK FOR

Carried interest (the manager's share of fund profits) is shown as accrued, earned and paid, with any amount held back or at risk of being returned. The movement in the quarter should make sense next to the fund's change in value.

RED FLAG

Accrued carried interest rises while fund value falls, or carried interest is paid with no link to distributions.

SCORE

0 1 2

If 0 or 1, send question 6

6 Unfunded commitment balance

How much you may still be asked to pay

WHAT TO LOOK FOR

A commitment reconciliation shows your total commitment, the amount called to date, any distributions that can be called again, and the unfunded balance still to be called. The calls should agree with the notices you received.

RED FLAG

The unfunded balance is missing, or it does not equal your commitment less amounts called, after any recallable amounts.

SCORE

0 1 2

If 0 or 1, send question 10

Subtotal, checks 1 to 6 _____ / 12

THE 12 CHECKS · PART 2

Explanation, evidence and data

Checks 7 to 12 cover how values and returns are explained, what is happening in each company, and whether the data can be trusted.

7 Valuation policy and changes

Why values moved this quarter

WHAT TO LOOK FOR

The report refers to the valuation policy and says which method is used for each company. ILPA Principles 3.0 asks for an explanation of valuation changes in the quarterly report. Any change to the policy or method is flagged and explained.

RED FLAG

Large mark-ups or write-downs with no reason given, or a change of method that is not disclosed.

SCORE 0 1 2

If 0 or 1, send question 7

8 Performance method stated

Returns you can compare

WHAT TO LOOK FOR

Returns are shown gross and net of fees and carried interest, using the internal rate of return (IRR), total value to paid-in (TVPI) and distributions to paid-in (DPI), with the date they apply to. The report says how they are calculated, including whether a credit line affects them and which ILPA Performance Template method is used, if any.

RED FLAG

Only gross returns or only IRR are shown, the method changes between quarters, or the effect of the credit line is not stated.

SCORE 0 1 2

If 0 or 1, send question 8

9 Company-level evidence

How each company is actually doing

WHAT TO LOOK FOR

Each portfolio company has a short update with the operating measures agreed at entry, such as revenue trend, cash position, key people and control issues, and commentary on what changed. ILPA's reporting template covers fund costs, not company operations, so this evidence must come from the manager.

RED FLAG

Only a list of names and values, or the same commentary copied from quarter to quarter.

SCORE 0 1 2

If 0 or 1, send question 9

10 Remediation and issues log

Problems tracked until they are fixed

WHAT TO LOOK FOR

An open issues log lists each problem with the date raised, owner, action, target date and status, and is carried forward from last quarter. Closed items are shown as closed, not simply dropped.

RED FLAG

Issues vanish without being closed, or bad news first appears months after it happened.

SCORE 0 1 2

If 0 or 1, send question 9

11 ESG and DFI reporting

Where your fund documents require it

WHAT TO LOOK FOR

Where the LPA or side letters require it, the report covers environmental, social and governance (ESG) matters, and items that development finance institutions (DFIs, government-backed investors) commonly ask for, such as progress on an action plan and any serious incidents. ILPA's reporting template has no ESG section. If nothing applies, score 2 only if your documents confirm that.

RED FLAG

Reporting promised in a side letter is missing, or incidents are disclosed only when an investor asks.

SCORE 0 1 2

If 0 or 1, send question 10

12 Data quality

Numbers you can work with and trust

WHAT TO LOOK FOR

The report comes in Excel as well as PDF (ILPA's guidance favours Excel so numbers can be checked). Definitions stay the same from quarter to quarter, and the template figures agree with the financial statements.

RED FLAG

PDF only, terms that change meaning between quarters, or past figures restated with no flag or reason.

SCORE 0 1 2

If 0 or 1, send question 2

Subtotal, checks 7 to 12 _____ / 12

ANALYST TOOLKIT

Five tie-out tests

Quick arithmetic checks that catch most reporting errors. Allow for small rounding differences. The Excel version does the sums for you.

	TEST	HOW TO RUN IT	PASS IF	RESULT
1	**Capital account rolls forward**	Opening NAV plus contributions, minus distributions, minus net fees and expenses, plus income, plus or minus gains and losses, minus carried interest allocated in the quarter.	The result equals the closing NAV in the report.	☐ Pass ☐ Fail
2	**Opening equals last closing**	Compare this quarter's opening NAV with the closing NAV in last quarter's report.	The two are the same, or the difference is explained.	☐ Pass ☐ Fail
3	**Fees agree across the pack**	Gross management fee minus offsets, rebates and waivers gives the net fee. Compare that net fee with the fee in the notes to the financial statements.	Gross less offsets equals net, and net equals the notes.	☐ Pass ☐ Fail
4	**Unfunded balance is right**	Total commitment minus contributions called to date, plus any distributions that can be called again.	The result equals the unfunded balance in the report.	☐ Pass ☐ Fail
5	**Cash flows match the notices**	Add up the capital call notices and distribution notices you received in the quarter.	The totals equal the contributions and distributions in the capital account.	☐ Pass ☐ Fail

At year end, also check that the fund-level figures agree with the audited financial statements. ILPA Principles 3.0 expects the annual report within 90 days of year end.

Ten questions to send the manager

Send the questions linked to any check you scored 0 or 1, and keep a record of when each answer arrives.

1. **TIMING**
   What delivery date do you work to after each quarter end, and if this report was late, why?

2. **DATA QUALITY**
   Please send the report and the fee template in Excel as well as PDF, and flag any figures restated from earlier reports, with the reason.

3. **CAPITAL ACCOUNT**
   Please reconcile this quarter's opening value to last quarter's closing value and explain any difference.

4. **'OTHER' AMOUNTS**
   What is included in each 'Other' line, and why does it not fit a named category?

5. **FEES AND OFFSETS**
   How was this quarter's management fee calculated under the LPA, which offsets, rebates or waivers were applied, and what offset balance is carried forward?

6. **CARRIED INTEREST**
   How did accrued carried interest move this quarter, and how does that link to the change in fund value?

7. **VALUATION**
   What drove the largest valuation changes this quarter, and has the valuation policy or method changed?

8. **PERFORMANCE**
   Are the returns shown gross or net, with or without the effect of the credit line, and how are they calculated?

9. **COMPANIES AND ISSUES**
   For each company, what operating measures do you track, what changed since last quarter, and what is on your open issues log?

10. **COMMITMENTS AND ESG**
    Please confirm my unfunded commitment, and tell me what ESG or DFI reporting is due under the LPA or side letters and when it will arrive.

READING YOUR RESULT

Verdict bands

OUR VIEW, NOT AN ILPA STANDARD

20 to 24	**Strong** The report is clear and checkable. Keep tracking it each quarter and follow up on any single 0.
14 to 19	**Adequate, with follow-ups** Usable, but send the questions linked to checks scored 0 or 1 and agree dates for answers.
0 to 13	**Ask for more before relying on it** Too much is missing or unclear. Request the missing items before using the numbers for decisions.

Your total _____ / 24 Verdict: _____

These bands are Lighthouse Capital's own judgement for prioritising follow-ups. ILPA does not publish a scoring system. Whatever the total, a 0 on check 2 or check 3 is worth resolving before you rely on the numbers.

SOURCES

1. **ILPA Reporting Template, version 2.0 (Excel file, hosted by ILPA)**
   https://ilpa.org/wp-content/uploads/2025/01/ILPA-Reporting-Template-Version-2.0.xlsx
2. **ILPA Reporting Template page**
   https://ilpa.org/industry-guidance/templates-standards-model-documents/ilpa-templates-hub/ilpa-reporting-template/
3. **ILPA Templates Hub**
   https://ilpa.org/industry-guidance/templates-standards-model-documents/ilpa-templates-hub/
4. **ILPA Reporting Template v. 2.0 Suggested Guidance (PDF)**
   https://ilpa.org/wp-content/uploads/2025/01/ILPA-Reporting-Template-v.-2.0-Suggested-Guidance.pdf
5. **ILPA Performance Template page**
   https://ilpa.org/industry-guidance/templates-standards-model-documents/ilpa-templates-hub/ilpa-performance-template/
6. **ILPA Principles 3.0 (PDF, 2019)**
   https://ilpa.org/wp-content/uploads/2019/06/ILPA-Principles-3.0_2019.pdf
7. **Our article: The ILPA reporting template explained**
   https://lighthousecapital.io/ilpa-reporting-template/

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Prepared by Lighthouse Capital, which is currently raising Fund I.