

Institutional Limited Partners Association

Due Diligence Questionnaire Tool

VERSION 1.0 ● OCTOBER 2013



Contents

Overview	i
Frequently Asked Questions	ii
Cover Sheet.....	1
Basic Questions.....	2
Detailed Questions.....	6
Appendix A - Requested Documents	A
Appendix B - Templates: Team Members.....	B
Appendix C - Templates: References	C
Appendix D - Templates: Fund.....	D
Appendix E - Templates: Portfolio Investments.....	E

Overview

As institutional investors increase their focus on issues related to alignment of interest, governance and transparency with their private equity manager relationships, the level of detail required for their upfront fund diligence process has increased. This increase has resulted in the proliferation of lengthy, customized due diligence questionnaires (“DDQ”) by many Limited Partners, advisors and placement agents. These customized DDQs, which have varying content and length, have created an extraordinary administrative burden on all interested parties, including Limited Partners, General Partners and Placement Agents.

Additionally, to ensure they are cognizant of the industry’s best practices, LPs are attentive to the types of diligence questions their peers are asking. With few available forums dedicated to the sharing of diligence practices, some Limited Partners may not even be aware of the level of detail being provided to their peers regarding a prospective fund.

The search for a more efficient process, and a means of minimizing the administrative burden of fundraising on all parties, prompted the ILPA to reach out to General Partners, Limited Partners, Placement Agents and other interested parties to craft a DDQ tool that may offer those efficiencies. The resources used to create and process the customized, but often redundant, questions and responses could then be repurposed toward additional transparency, assessment and analysis of results.

The ILPA Due Diligence Questionnaire (“ILPA DDQ”) was compiled from over a dozen sample questionnaires provided by LPs, GPs and third parties. It has been reviewed by the members of the ILPA Research, Benchmarking & Standards Committee, as well as several industry leaders as part of a six-month, public comment period.

Please note that the ILPA DDQ is not intended to be a required document that all GPs must adopt. It is also not a panacea for all LPs’ diligence needs. We acknowledge that some variation may still be employed in the industry. The goal of the DDQ Tool is to limit those variations to the few additional questions specific to that LP or GP.

The ILPA DDQ covers many topics related to fund diligence, including:

1. General Firm Information
2. General Fund Information
3. Investment Strategy
4. Investment Process
5. Team
6. Alignment of Interest
7. Market Environment
8. Fund Terms
9. Governance
10. Risk/Compliance/ESG
11. Track Record
12. Accounting/Valuation/Reporting
13. Legal/Administration

These topics are covered in a series of short form and long form questions that are designed to help shape the direction of an LP’s diligence process. The ILPA DDQ also provides a list of requested documents and data points that would ideally be provided in any GP’s diligence package.

Included in this package are many of the frequently asked questions received during the ILPA DDQ’s comment period. For further questions, or for digital copies of materials related to the ILPA DDQ Tool, please visit ilpa.org, or contact the ILPA directly at +1-617-716-6500 or info@ilpa.org.

Frequently Asked Questions

1. What is the purpose of this document?

The ILPA's goal is to reduce the administrative burden of LPs, GPs, Placement Agents and other third parties by providing a best-in-class due diligence questionnaire. Adoption will make questionnaire stage more efficient by minimizing the number of customized DDQs from LPs and consultants.

2. Is the industry required to use this document?

No, the ILPA understands that this document may not necessarily be applicable for all funds, or provide efficiencies for all parties. However, GPs that receive multiple questionnaires, with redundant and differently-organized questions, should see efficiencies in the diligence process.

3. How should GPs with funds for different strategies/geographies/industries (e.g. separate venture and growth funds) answer questions about the firm, and its funds and teams that aren't currently fund raising? What level of information is relevant to LPs if they are only conducting diligence on a specific type of fund offered by a GP?

In these situations, the GP does not necessarily need to provide detailed information about business units that are materially unrelated to the Fund. (A simple overview of these non-related business units should be made available, however.) Unless specifically noted, any reference to the "Firm" in the ILPA DDQ should be focused on business units materially related to the Fund. GP's should clearly state the business units being included and be able to explain their rationale for excluding others.

4. Are GP's expected to provide answers to any "sensitive" questions in this document?

GP's are not required to divulge sensitive information, especially if it violates any non-disclosure agreements with other parties. It is also understood that GPs may need to use caution in providing information to organizations they feel are not genuinely interested in committing to their fund. However, as fiduciaries, Limited Partners should not feel restricted from asking sensitive questions. The GP's right to guard confidential information is no greater than the LP's right to inquire about information they feel is relevant to the transparency and alignment of their potential partnership. If GPs are more comfortable with providing certain answers in person, in a redacted format or at a later stage in the diligence process, they should feel encouraged to do so. However, they should also provide an explanation for their rationale, as well as any further direction for LPs, in this document.

5. Are GPs expected to answer questions that are not applicable to their specific fund?

The ILPA DDQ is an attempt at a comprehensive questionnaire that applies to the majority of private equity funds. LPs should understand that not all questions are applicable to all GPs/funds. GPs should use their best judgment to only answer questions that are relevant to their organization. For skipped questions in the Detailed Questions section, GPs should provide a brief, one sentence statement explaining their rationale for not answering. For the skipped questions in the Basic Questions section, "N/A" should be populated in the "Reference" field.

6. Should LPs use a GP's answers in the Basic Questions section (yes/no questions) as the sole criteria for their ultimate investment decision?

No, the basic questions are intended to provide LPs with a top-level checklist, and a framework to highlight issues that need further clarity. There may be extenuating circumstances that explain a particular "negative" answer. GPs should use the "Reference" field in the Basic Questions section to direct LPs to more expanded answers to these questions. LPs should review the expanded answers in the Detailed Questions section, as well as their own follow-up questions, before making any investment decisions.

7. Should LPs only use this document? In what format should additional questions be sent to the GP?

One of the goals of this document is to minimize, not eliminate, the variations in LPs' diligence processes. While the ILPA believes that this is a comprehensive document that covers all of the questions that institutional investors should ask GPs, it may be necessary to supplement this document with additional questions. Additional questions should not be added to this document. To avoid any confusion, these questions should be listed in a separate document.

8. **In various questions related to the Firm’s staff, the form references both “Principals” and “Team Members.” What is the difference between the two? For the purposes of this document, what criteria should a GP use to define each?**

As referenced in Appendix B, “Team Members” refers to all Firm-personnel, including investment professionals and senior non-investment professionals that left the Firm in the last ten years. “Principals” refers to the Firm’s management team and other core members that have a significant contribution to the Firm’s direction and investment performance. The “Principal” designation should be made at the GP’s discretion. However, GPs should be prepared to answer any questions about their decision rationale.

9. **Can GPs cite responses in their PPMs in the ILPA DDQ?**

It is recommended that all answers should be contained in the questionnaire. Any relevant answer in the PPM should be copied into the DDQ to preserve the DDQ as a stand-alone document.

Cover Sheet

Firm: General Information **Date of Completion:** MM/DD/YYYY

Firm Name or Business Unit that is Fundraising (the "Firm"): _____

Address: Street: _____
 City: _____
 State/Country: _____
 Postal Code: _____
 Phone Number: _____

Regulatory Body (or Bodies) that Supervises Firm: _____

Regulatory Body (or Bodies) Registration Number(s): _____

Firm Contact (for requesting additional information):
 Name: _____
 Title: _____
 Phone Number: _____
 Email Address: _____

Fund: General Information

General Partner Legal Name (the "GP"): _____

Fund Legal Name (the "Fund"): _____

Regulatory Body (or Bodies) that Supervises the Fund: _____

Regulatory Body (or Bodies) Registration Number(s): _____

<p>Fund Size: Targeted: _____ (Reporting currency) Minimum: _____ Maximum / Cap: _____ First Close Amount _____ Total Closings to Date: _____</p>	<p>Fund Term: Investment Period: _____ (Years) Follow-on Period: _____ Remainder of Term: _____ Extension Period: _____</p>
<p>Management Fees: Investment Period: _____ % of _____ (% of basis) Follow-on Period: _____ % of _____ Extension Period: _____ % of _____</p>	<p>Misc. Terms: Reporting Currency: _____ (Fund only) Hurdle (%): _____ Carried Interest (%): _____ Carry Catch-up (%): _____ Carry Escrow (%): _____ GP Commit. (%): _____ Date of First Close: _____</p>
<p>Investment Focus: Strategic Focus: _____ (Fund only) Geographic Focus: _____ Industry Focus: _____</p>	

Basic Questions

1.0 Firm: General Information	Yes	No	Reference*
1.1 Does the Firm have any existing business lines that are unrelated to the Fund's investment strategy?	<input type="checkbox"/>	<input type="checkbox"/>	_____
1.2 Has the Firm or any affiliated entity ever failed to make payments under any secured or unsecured indebtedness?	<input type="checkbox"/>	<input type="checkbox"/>	_____
1.3 Has the Firm or any affiliated entity ever filed for bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>	_____
1.4 Has any of the Firm's current or former Team Members (as defined in Appendix B) ever filed for bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>	_____
1.5 Will the Firm or any of its Principals (as defined in Appendix B) conduct outside business or investment management activities during the investment period of the Fund?	<input type="checkbox"/>	<input type="checkbox"/>	_____
1.6 Will the Firm or any of its Principals conduct outside activities (non-profit, academic, etc.) that are expected to take-up a significant (approx. ≥ 20%) amount of time during the investment period of the Fund?	<input type="checkbox"/>	<input type="checkbox"/>	_____
1.7 Is the Firm a publicly-held company?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.0 Fund: General Information	Yes	No	Reference*
2.1 Will the Fund offer co-investments?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.2 Outside of the General Partner, will non-limited partners affiliated with the Firm be prohibited from investing or holding an ownership interest in the Fund's investments?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.3 Will Placement Agents be used during the fundraising process?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.4 Will unregistered Placement Agents (i.e. (a) not affiliated with a FINRA member broker-dealer, (b) not registered as a municipal advisor with the SEC and the MSRB and (c) not registered as a lobbyist in the State of California) be prohibited from assisting in the fundraising process?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.5 Will there be an annual investor meeting throughout the life of the Fund?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.6 Will the Firm facilitate an in-camera session for each of the Fund's LP Advisory Board meetings?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.7 Is the Fund prohibited from holding leverage on its balance sheet?	<input type="checkbox"/>	<input type="checkbox"/>	_____
3.0 Investment Strategy	Yes	No	Reference*
3.1 Is the Fund's strategy materially different from the previous fund?	<input type="checkbox"/>	<input type="checkbox"/>	_____
3.2 Will the Fund actively pursue investments in public securities and/or Private Investments in Public Equity (PIPE investments)?	<input type="checkbox"/>	<input type="checkbox"/>	_____
3.3 Will the Fund engage in hostile transactions?	<input type="checkbox"/>	<input type="checkbox"/>	_____

*For expanded commentary on a response to a Basic Questions, LPs should refer to the following question in the Detailed Questions section

4.0 Investment Process	Yes	No	Reference*
4.1 Does the Firm have a dedicated debt management team?	<input type="checkbox"/>	<input type="checkbox"/>	
4.2 Does the Firm have a dedicated operations team?	<input type="checkbox"/>	<input type="checkbox"/>	
4.3 Does the Firm have a marketable securities trading operation?	<input type="checkbox"/>	<input type="checkbox"/>	
4.4 Will the Firm actively manage the Fund's foreign currency exposure?	<input type="checkbox"/>	<input type="checkbox"/>	
5.0 Team	Yes	No	Reference*
5.1 Are there any known conditions (health, financial, litigation, personal, etc.) of any of the Firm's Principals that might influence their ability to execute their duties to the Fund or Firm?	<input type="checkbox"/>	<input type="checkbox"/>	
5.2 Has a "Key-Person" event occurred in the Firm's history?	<input type="checkbox"/>	<input type="checkbox"/>	
5.3 In addition to any "Key-Person" event, were there any significant staff departures (partner in the management company or director-level employee (or higher) with more than five years of history with the Firm) over the life of the previous two funds?	<input type="checkbox"/>	<input type="checkbox"/>	
5.4 Is the Firm aware of any significant staff departures (as defined above) that are expected to occur between now and the end of the Fund's investment period?	<input type="checkbox"/>	<input type="checkbox"/>	
6.0 Alignment of Interests	Yes	No	Reference*
6.1 Will any of the Firm's Principals and/or affiliates elect to <u>not</u> invest in the Fund?	<input type="checkbox"/>	<input type="checkbox"/>	
6.2 Will any commitments from the General Partner and/or any of its Principals be leveraged or loaned?	<input type="checkbox"/>	<input type="checkbox"/>	
6.3 Will any commitments from the General Partner and/or any of its Principals be financed with deferred management fees?	<input type="checkbox"/>	<input type="checkbox"/>	
6.4 Will any commitments from the General Partner and/or any of its Principals be financed with assets from another investment managed by the Firm?	<input type="checkbox"/>	<input type="checkbox"/>	
6.5 Were there any carry clawback situations in any of the Firm's prior funds?	<input type="checkbox"/>	<input type="checkbox"/>	
7.0 Market Environment	Yes	No	Reference*
No Basic Questions (see the Detailed Questions section for more coverage of this topic)			

*For expanded commentary on a response to a Basic Questions, LPs should refer to the following question in the Detailed Questions section

8.0 Fund Terms		Yes	No	Reference*
8.1	Has the Firm publicly endorsed the most recent version of the ILPA Private Equity Principles ?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
8.2	Does the Fund offer each Limited Partner a choice of compensation options (e.g. (a) 2% management fee / 20% carry or (b) 2.5% management fee / 15% carry)?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
8.3	Have any prospective investors in the Fund received any side agreements or rights (“side letters”), whether in writing or verbally?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
8.4	If yes to 8.3, will the terms in such side letters be offered to all limited partners that request them?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
8.5	Will the Fund prohibit in specie distributions?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
8.6	Are Limited Partners permitted to opt out of certain Fund investments?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
9.0 Governance		Yes	No	Reference*
9.1	Does the Firm have an Environmental, Social and Corporate Governance (ESG) policy (or equivalent CSR/SRI policy)?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
9.2	Is the Firm a signatory to the United Nations Principles for Responsible Investing (UNPRI) ?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
9.3	Is the Firm and/or any of its affiliated entities organized in a country that is a member of the Organization for Economic Co-operation and Development (OECD) ?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
9.4	Does the Firm have policies that encourage portfolio companies to adopt external standards and codes (such as the United Nations Global Compact)?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
9.5	Does the Firm have a written policy on the handling and safeguarding of any material, non-public information?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
9.6	Does the Firm incorporate the most recent version of the ESG Disclosure Framework in its communication practices with Limited Partners?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
9.7	Has the Firm adopted the CFA Institute’s most recent Code of Ethics and Standards of Professional Conduct or substantive equivalent?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
10.0 Risk / Compliance / ESG		Yes	No	Reference*
10.1	Does the Firm obtain Environmental Impact Studies for each of its portfolio company and property investments?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
10.2	Is the Firm a registered investment advisor or broker-dealer?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
11.0 Track Record		Yes	No	Reference*
11.1	Have any of the portfolio companies or properties held by the Firm filed for bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
11.2	Have any of the Firm’s portfolio companies or properties failed to make payments under any secured or unsecured indebtedness during the Firm’s period of ownership?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
11.3	Have any of the Firm’s portfolio investments ever received a qualified audit opinion during the Firm’s period of ownership?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>
11.4	Are any investments in the Firm’s track record excluded from the provided appendices?	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>

*For expanded commentary on a response to a Basic Questions, LPs should refer to the following question in the Detailed Questions section

12.0 Accounting/Valuation/Reporting		Yes	No	Reference*
12.1	Has the Firm's Valuation Policy (as referenced in Appendix A) remained significantly unchanged over the past five years?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.2	Will the Fund follow the most recent version of the IPEV Valuation Guidelines ?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.3	Will the Fund be valued by an independent, third-party valuation firm?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.4	Will the Fund's LP Advisory Board approve or review valuations?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.5	Is the Fund's audit firm unaffiliated with the Firm or any of its current or former Team Members?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.6	Does the Fund's audit firm <u>only</u> provide the Fund and Firm (plus the Firm's Principals and affiliates) with audit services?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.7	Have <u>none</u> of the funds managed by the Firm ever received a qualified audit opinion?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.8	Have carry payments and allocation in prior funds been audited (as part of an annual audit of the Firm and its funds) to ensure they reflect the terms and conditions in the Limited Partners Agreement?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.9	Will carry payments and allocation associated with the Fund be audited (as part of an annual audit of the General Partner and its funds)?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.10	Will the Fund's standard reporting package include the majority of content found in the ILPA Reporting Best Practices and Standardized Capital Call and Distribution Templates ?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.11	If applicable, will the Fund use a fund administration service provider that has the capability to use (or uses) the ILPA Reporting Best Practices and Standardized Capital Call and Distribution Templates ?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.12	Will the ILPA Standardized Capital Call and Distribution Templates be completed and provided to all of the Fund's Limited Partners?	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.13	Is the investment performance included in all of the Firm's marketing materials and reporting packages compliant with the most recent version of the Global Investment Performance Standards (GIPS) ?	<input type="checkbox"/>	<input type="checkbox"/>	_____
13.0 Legal/Administration		Yes	No	Reference*
13.1	Have there been <u>no</u> criminal or administrative proceedings or investigations against the Firm, its affiliated entities and/or any of its current or former Team Members?	<input type="checkbox"/>	<input type="checkbox"/>	_____
13.2	Have there been <u>no</u> investigations by an industry regulatory body of the Firm, its affiliated entities and/or any of its current or former Team Members?	<input type="checkbox"/>	<input type="checkbox"/>	_____
13.3	Does the Firm seek an assessment of its internal controls (e.g. SAS 70) on a periodic basis?	<input type="checkbox"/>	<input type="checkbox"/>	_____
13.4	Does the Firm use a standard IT package and/or internally developed software for business functions like portfolio management, trade order management, administration and risk?	<input type="checkbox"/>	<input type="checkbox"/>	_____

*For expanded commentary on a response to a Basic Questions, LPs should refer to the following question in the Detailed Questions section

Detailed Questions

1.0 Firm: General Information

- 1.1. Provide a brief overview of the Firm, including information on the founding, subsequent history and information on any predecessor firm and/or parent firm. Describe any plans to change or expand the Firm (entering/exiting business lines, office locations, etc.) over the next 5 years.
- 1.2. Provide an overview (including chart) of the ownership structure of the Firm, its relevant investment advisors and any parent organization. Include details on the timing and rationale for each significant ownership change. State any limitations on the ability of the Principals (as defined in Appendix B) to assign their interests in the General Partner. Include percentage ownership, ownership vesting schedules, and any changes in ownership over the last 10 years.
- 1.3. Provide an overview (including chart) of the management/organizational structure of the Firm, including back office personnel. Discuss the Firm's succession plans.
- 1.4. Provide an overview of all investing, advisory or other business activities performed by the Firm. List all investment vehicles previously managed by the Firm, including predecessors to the Fund, vehicles with different investment strategies than that of the Fund and separate accounts managed by the Firm. Include information on the fee structures for each vehicle. If the Firm entered into any joint ventures with another manager, describe the structure, governance and economics of the relationship. Discuss the Firm's fundraising plans over the next 5 years.
- 1.5. Provide information regarding the Firm's liquidity and capitalization. If applicable, provide any debt service requirements on the Firm. Are there any personal guarantees involved? If so, by whom?
- 1.6. Describe any situation where the Firm, any of its affiliated entities or any of its current or former Team Members (as defined in Appendix B) has filed for bankruptcy or failed to make payments under any secured or unsecured indebtedness.
- 1.7. Provide the Firm's annualized pro-forma budget for the period covering the life of the Fund (as referenced in Appendix A).
- 1.8. Provide a description of the Firm's culture.
- 1.9. Describe any additional outside activities (non-profit, academic, etc.) of the Firm or its Principals that are expected to take-up a significant (approx. $\geq 20\%$) amount of time during the investment period of the Fund. Include the associated time commitments for each activity.
- 1.10. Describe any activity currently underway that could lead to negative publicity about the Firm in the near future. Explain any past negative publicity, and the steps taken as a result.

2.0 Fund: General Information

- 2.1. Provide the legal and tax structure of the Fund (including chart). If available, provide a tax-structuring memo prepared by an external advisor that describes the tax structure of the Fund. Describe any distinctive features.
- 2.2. Detail the fundraising timeline, including each of the actual or anticipated closing dates. As referenced in Appendix C, state the total commitments received to date and, if available, the names, contact details and amounts committed by each investor (differentiating between hard and soft commitments). Describe the provisions regarding the admission of additional investors.
- 2.3. As referenced in Appendix A, list any investors in the previous fund that will not participate in the Fund, and provide reasons for their non-participation. List all secondary sales of limited partner interests in the two previous funds.
- 2.4. If applicable, provide details for the Fund's investments date. If no investments to date, when does the Fund expect to begin investing? When is the Fund expected to begin charging management fees?
- 2.5. State the Fund's policy regarding co-investments with other funds, other affiliates and/or limited partners. How will these co-investment opportunities be allocated? If applicable, provide examples of past co-investments.
- 2.6. Discuss how the Fund will utilize Placement Agents during the fundraising process.
- 2.7. Discuss the anticipated composition of the Fund's LP Advisory Board. As referenced in Appendix A, provide a list (with contact information) of any Limited Partners that have already agreed to participate on the board. Discuss the expected timing and format of any LP Advisory Board / Annual General Meetings during the life of the Fund.
- 2.8. State the Fund's ability to borrow capital, as well as any limits on borrowing capacity.
- 2.9. As referenced in Appendix A, provide the Fund's annualized pro-forma budget, detailing the expenses/costs required to conduct the business of the Fund during its entire life. For comparison purposes, provide similar budgets over the course of the two previous funds.

3.0 Investment Strategy

- 3.1. Summarize the Fund's investment strategy and types of transactions the Fund will pursue. Include details on anticipated transaction sizes (including minimum/maximum), investment pace, holding periods, geographic focus, industry/sector focus, investment stage and other relevant characteristics).
- 3.2. Discuss the Firm's ability to invest at the Fund's targeted size. Address any significant change in fund size compared to previous funds, and the impact on co-investing with Limited Partners and non-Limited Partners.

- 3.3. Provide detail on the Fund's diversification strategy in terms of number of investments, geographical concentration and sector allocations.
- 3.4. Describe the background and evolution of the Firm's investment strategy, including strategies that do not apply to the Fund. Provide a timeline of this evolution, including when any additional strategic platforms were added to the Firm's offerings. Provide examples of investments that demonstrate this evolution. Discuss how the Fund's investment strategy compares to the previous fund. Is the Firm's/Fund's investment strategy expected to change in the future?
- 3.5. Describe the Firm's competitive advantages and discuss how the Firm attempts to produce replicable returns.
- 3.6. Describe the Fund's expected investment structures. What will be the typical equity structures used by the Fund? Discuss the use of leverage at the portfolio company level and state the targeted leverage levels (%) of a typical investment. Discuss the effectiveness of the Fund's expected strategy if leverage is not applied. How has the Firm's use of leverage evolved between the Fund and prior funds? Provide examples of investments that demonstrate this evolution.
- 3.7. Describe the Firm's preference for being a control, minority, joint or sole investor. Detail this preference historically. What controls and rights does the Firm seek when executing investments? If predominately a control investor, under what scenarios would the Firm consider a non-control position (and vice-versa)?
- 3.8. Provide examples of investments that were in violation of their debt covenants during the course of the Firm's investment. Provide a brief description of the covenant breach, the lessons learned from the situation and examples of steps taken in subsequent investments to prevent the same situation from repeating itself.
- 3.9. Describe any investments that will not be considered. Are there any factors that would automatically end a potential a deal? If so, explain.
- 3.10. Discuss the risk factors of the Fund's investment strategy (e.g. political risk, economic, financial, technology, business cycle, etc.) and the steps taken to mitigate these risks.
- 3.11. Discuss the Firm's approach to working with existing or new management teams at portfolio companies. Describe (citing examples) the strategies that are used to incentivize portfolio company management teams.
- 3.12. Discuss the typical methods used by the Firm to create value for its portfolio companies (restructuring, strategic re-positioning, leveraging, operational improvements, etc.). Discuss how the Firm's strengths in creating value for investments impact its sourcing capabilities. Provide case studies to illustrate the Firm's value creation capabilities.
- 3.13. What is the return-profile threshold (gross IRR, money multiples, etc.) for targeted investments? What is the expected holding period?

4.0 Investment Process

- 4.1. Describe the Firm's deal sourcing capabilities and the process used to identify attractive investment opportunities. How is the sourcing process staffed, conducted and documented? What criteria are used to assess an investment's attractiveness? Describe the robustness and sustainability of the Firm's proprietary network of contacts used to identify opportunities. Discuss any organizations that the Firm will not typically source deals from.
- 4.2. Describe the Firm's screening and due diligence processes. How is each process staffed, conducted and documented? How long is the due diligence process? Will the deal team be in charge of the investment until exit, or will other professionals be assigned post-acquisition? Include details on any due diligence checklists, internal reports, financial models and investment committee documents prepared.
- 4.3. Describe any functions performed by third parties in the sourcing, screening and due diligence processes. Describe the Firm's decision making process for determining if a third party is used/not used.
- 4.4. Discuss the Firm's screening, due diligence and risk management processes prior to acquiring an investment in a standard or an alternative asset investment fund (provide enhanced specificity if the fund will trade in an unregulated market) to protect against fraud, corruption or more general risks of a fund not gaining clear legal ownership of assets that the fund proposes to acquire. Describe how the Firm checks and determines the chain of title for all real assets, real estate or tangible personal property-collectible assets and secures adequate information to support management assertions under controlling accounting rules that the fund has clear legal ownership of the acquired assets. If applicable, provide examples of fraud, corruption or other potential asset ownership risks that the Firm previously identified in a potential investment and explain how the Firm identified and managed those risks.
- 4.5. Provide details on the Firm's internal decision-making and approval process, including details on the role, composition and function of the Firm's Investment Committee.
- 4.6. Provide examples of provisions that the Firm incorporates in contracts to protect its investments.
- 4.7. Discuss the Firm's approach to the valuation of investment opportunities and pricing discipline.
- 4.8. Discuss the Firm's portfolio investment monitoring policy, including details about contact events (weekly, quarterly, board meetings, etc.). What information is required to be reported by the portfolio investments? Discuss the Firm's approach to board representation at its portfolio companies.
- 4.9. How many active portfolio companies is each investment professional responsible for? In addition to active investments, how many deals in the pipeline is each investment professional responsible for? How were these number determined and how have they evolved over the Firm's history? What is the Firm's process for handling bandwidth during periods of peak activity?
- 4.10. Describe the Firm's criteria for evaluating follow-on investments. Include a description of the Fund's provisions for capital recycling and follow-on reserves.

- 4.11. Discuss the Firm's strategy/criteria/plan for exiting investments. Include an analysis of past exits (IPO, trade sale, financial buyer, write-offs, etc.). Provide examples that illustrate the Firm's decision-making for choosing the type of exits.
- 4.12. Describe the Firm's policy on IPOs. If applicable, include information about any dedicated group that monitors the public markets in anticipation of an IPO.
- 4.13. Describe the Firm's processes for protecting against fraud and corruption, post-investment. If applicable, discuss any fraud and/or corruption that were detected in prior investments.
- 4.14. Describe the Firm's processes, if any, to monitor and verify the supply chains of the portfolio companies. If applicable, are portfolio companies typically members of organizations such as the Fair Labor Association?
- 4.15. If applicable, provide examples of leveraging the management and/or capabilities of one investment to help another investment.
- 4.16. Describe the hedging policy that will be employed by the Fund. Will the Fund employ an active, passive or no policy? Describe any other fund (active or liquidated) managed by the Firm that uses/used a different policy and explain the rationale for the differences.

5.0 Team

- 5.1. Provide an overview of the Firm's Team Members, including the shared work history of the Firm's Principals. Also, provide a description of each job title, detailing the responsibilities held by junior, mid-level and senior staff.
- 5.2. How does the team communicate internally? Discuss the co-operation and communication between the Firm's various offices. How often do the different offices meet in person? How often do the different offices meet electronically/telephonically?
- 5.3. Describe the Firm's recruitment plans and procedures for hiring staff. To what extent are background checks involved and how are objective references obtained?
- 5.4. Discuss the Firm's approach to staff retention and training. Discuss the Firm's historical experience in this area. Discuss any promotions that took place over the last year.
- 5.5. Describe any known conditions (health, financial, litigation, personal, etc.) of any of the Firm's Principals that might influence their ability to execute their duties to the Fund or Firm.
- 5.6. Describe the circumstances of any "Key-Person" event in the Firm's history. Describe the steps taken by the Firm to remedy the situation and the subsequent impact on any Firm policies.

- 5.7. Describe any significant staff departures (partner in the management company or director-level employee (or higher) with more than five years of history with the Firm) over the life of the previous two funds.
- 5.8. Describe any significant staff departures (as noted above) that are expected to occur between now and the end of the Fund's investment period.

6.0 Alignment of Interests

- 6.1. Describe the compensation structure (salary, bonus, group/individual performance incentives, profit sharing, equity ownership, carried interest, etc.) for all Team Members. Include details on the allocation of the carried interest among Principals and others inside/outside the organization. How does this compare with the previous fund's carry split? Provide details on any separate compensation arrangements outside the Fund.
- 6.2. How is the carried interest vested for those parties that participate? What happens to the unvested carry of former Team Members?
- 6.3. Describe how the General Partner's contribution for investments is allocated among the team.
- 6.4. Describe how the General Partner's contribution for investments will be financed.
- 6.5. Describe how any Principal or affiliate of the General Partner will invest in the Fund (outside of the General Partner's commitment).
- 6.6. Describe any clawback situation that occurred in a prior fund.

7.0 Market Environment

- 7.1. Describe the markets in which the Fund will operate and provide an overview of the current opportunities. Why is the opportunity to invest in this market particularly attractive during the Fund's investment period?
- 7.2. Discuss how the current market environment compares/differs to that of prior funds.
- 7.3. Discuss how the Fund's pipeline of new investments compares / differs from prior funds?
- 7.4. Describe and list the Fund's direct competitors. Include details on competitors for individual investment opportunities during the investment phase of the previous fund.

8.0 Fund Terms

- 8.1. Provide a summary of notable deviations from each of the terms detailed in the most recent version of the [ILPA Private Equity Principles](#).

- 8.2. Provide a summary of notable deviations from the terms of the previous fund.
- 8.3. Describe the Fund's carried interest charge by the GP and its basis (e.g. whole fund or deal-by-deal). Describe the specific milestones that need to be met before the GP can start taking / take-additional carry. Include details on calculating carried interest. State the Fund's clawback provision and whether it is guaranteed by the GP on a joint or several basis. State the Fund's policy on holding a portion of carried interest in escrow. As referenced in Appendix A, provide a working example of the most recent fund's distribution waterfall, noting any variations from the expected calculations for the Fund.
- 8.4. State the Fund's management fees and other amounts payable to the GP, including the frequency and the formulas used to determine such fees.
- 8.5. Describe the allocation of fees (e.g. transaction fees, investment banking fees, monitoring fees, director's fees, etc.) between the GP and the Fund. How has this allocation evolved from prior funds? What are the Fund's policies on placement agent and finders' fees? Who is accountable for their payment?
- 8.6. Describe any different compensation options (e.g. (a) 2% management fee / 20% carry or (b) 2.5% management fee / 15% carry) that are offered to each Limited Partner.
- 8.7. State the Fund's provisions regarding the transferability of partnership interests.
- 8.8. State the standards of indemnification that apply to the GP and related parties.
- 8.9. Provide an overview of the Fund's "Key-Person" provision. How has this provision changed since the previous fund?
- 8.10. Describe any circumstance in which one Limited Partner is not investing under the same terms as other Limited Partners.
- 8.11. Describe the Fund's policy for making cash or in specie distributions. Provide details on the prior history of in specie distributions.
- 8.12. Describe the Fund's policy on allowing Limited Partners to opt-out of an investment. What are the circumstances for allowing an opt-out?

9.0 Governance

- 9.1. Describe the role of the Firm's internal advisory board(s). Detail all matters referred to the advisory board(s), including any currently unresolved matters. Describe any additional governing/advisory bodies that impact the management or investment activity of the Firm (e.g. CEO Circle, operating committee, management affiliate, etc.).

- 9.2. Detail how the Firm's policies (Compliance Manual, Code of Ethics, etc.) are supervised, monitored and enforced.
- 9.3. Detail any conflicts of interest (potential, current and historic) within the Firm, and explain how they have been/are identified, managed, disclosed (to LPAC or otherwise) and resolved. Please identify any committees in place to help with the resolution of conflicts (conflict committee, etc.).
- 9.4. How will investment opportunities be allocated between active funds? Discuss any funds and/or separate accounts with potential allocation considerations.
- 9.5. What is the Firm's policy of personal investments by any employees or affiliates in deals reviewed by the General Partner (both accepted and rejected)? If applicable, provide a list of all previous investments of this nature.
- 9.6. Describe the Firm's policies on the handling and safeguarding of any material, non-public information? How are these policies communicated to employees?

10.0 Risk / Compliance / ESG

- 10.1. Discuss the Firm's risk management. What types of risks are monitored and how are they measured? Are their dedicated employees assigned to the risk monitoring function?
- 10.2. Discuss the Firm's compliance policies. Include information on the procedures and internal controls in place to prevent the Fund from being used to launder money, finance terrorist activities, be used for personal gain, and to identify and mitigate conflicts of interest.
- 10.3. Describe any review or assessment of conflicts of interest performed in the last year. Identify any findings, as well as any changes or proposed actions to address the findings.
- 10.4. Describe the regulatory bodies that have oversight of the Firm, including any Investment Advisor or Broker-Dealer registrations. Identify the Firm's policies for remaining compliant with these bodies.
- 10.5. Describe the types of investments for which the Firm obtains Environmental Impact Studies? Provide examples of how these studies impacted the Firm's investment decisions?
- 10.6. Environmental, Social & Governance (ESG) Disclosures (as noted in the most recent version of the [ESG Disclosure Framework](#)):
 - 10.6.1. What are the Firm's ESG-related policies and how do ESG factors influence its investment beliefs?
 - 10.6.2. How does the Firm identify and manage material ESG-related risks and use ESG factors to create value?
 - 10.6.3. How does the Firm contribute to portfolio companies' management of ESG-related risks and opportunities?

10.6.4. How can Limited Partners monitor and, where necessary, ensure that the Fund is operating consistently with agreed ESG-related policies and practices?

10.6.5. What is the Firm's approach to managing and disclosing material ESG-related incidents at the General Partner and portfolio companies?

11.0 Track Record

- 11.1. Provide examples of active/exited investments with an investment multiple (TVPI) below 1.0x. Discuss what went wrong, action taken, lessons learned and how (and when) outside experts were brought in.
- 11.2. Describe any situation in which a portfolio company or property has filed for bankruptcy or failed to make payments under any secured or unsecured indebtedness during the Firm's period of ownership.
- 11.3. Describe any qualified audit opinions received by the Firm's portfolio investments during the Firm's period of ownership.
- 11.4. Describe the most appropriate private and public market benchmarks for the three most recent funds (of the same strategy). As referenced in Appendix A, compare the limited partner returns of the prior funds with the relevant private and public market benchmarks. Describe the consistency and dispersion of the returns.
- 11.5. As referenced in Appendix A, for portfolio companies that were exited via an IPO, provide the offering price and a graph from the time of the listing, and indicate when the fund sold and/or distributed shares. Please also indicate if any prior fund sold its interests at the time of the IPO.
- 11.6. Discuss any investments in the Firm's track record that are not being included in the provided appendices. Describe the rationale from excluding them.

12.0 Accounting/Valuation/Reporting

- 12.1. Describe the Fund's internal accounting. What accounting principles does the fund operate under? Has the Firm established an internal audit function? If so, how often are internal control audits performed? Has there been any major control weaknesses identified from the audits? If so, what is the Firm doing to resolve the identified weaknesses?
- 12.2. Describe any significant changes in the Firm's Valuation Policy (as referenced in Appendix A) in the last five years.
- 12.3. Describe any deviations between the Fund's Valuation Policy and the [IPEV Valuation Guidelines](#).
- 12.4. Describe any role the Fund's LP Advisory Board plays in approving or reviewing valuations.

- 12.5. Describe any significant deviations between the Fund's standard reporting package and the [ILPA Reporting Best Practices and Standardized Capital Call and Distribution Templates](#).
- 12.6. Describe any deviations between the investment performance methodology in the Firm's marketing materials/reporting packages and the [Global Investment Performance Standards \(GIPS\)](#).

13.0 Legal/ Administration

- 13.1. Describe any past criminal or administrative proceedings or investigations against the Firm, its affiliated entities and/or its current and former Team Members.
- 13.2. Describe any past investigations by an industry regulatory body of the Firm, its affiliated entities and/or its current or former Team Members.
- 13.3. Describe any pending or ongoing litigation/investigation against the Firm, its affiliated entities and/or its current or former Team Members.
- 13.4. Describe any accusation and/or conviction of fraud or misrepresentation against any of the Firm's current or former Team Members.
- 13.5. Describe the activities of the Firm's support functions (Finance and Fund Administration, Human Resources, Compliance/Legal, etc.).
- 13.6. Detail the processes and procedures for capital movements (capital calls, transfers of cash, investment acquisitions and distributions).
- 13.7. Provide an overview of the third-parties providing services to the Firm or Fund (e.g. law firms, custodians, fund administrators, prime brokers, consultants, banks, etc.). How does the Firm manage counterparty risk related to these third party arrangements?
- 13.8. What types of insurance coverage does the Firm maintain (e.g. fidelity bond insurance, errors and omission insurance, directors and officers insurance, other)? Provide a summary of any material claims made against these policies in the last five years.
- 13.9. List and describe any software that the Firm uses for business functions like portfolio management, trade order management, administration and risk?

Appendix A - Requested Documents (if applicable)**

1. Fund Limited Partnership Agreement (current version)
2. Fund Limited Partnership Agreement (black-lined version from the previous fund)
3. Private Placement Memorandum (PPM) of the Fund
4. PPM and Limited Partnership Agreement of the previous fund
5. Annual General Meeting materials for last 2 years
6. Firm's most recent regulatory body registration/disclosure form (e.g. Form ADV)
7. The Partnership Agreement of the GP
8. All audited annual & unaudited quarterly reporting packages sent to limited partners for each active prior fund
9. The audited financial statements of the Firm for the last 3 years
10. Examples of capital call and distribution notices
11. The Investment Advisory Agreement between the Fund and the General Partner
12. Presentation materials and minutes of all LP Advisory Board meetings held over the last 2 years
13. Disaster Recovery Plan (should include location of back-up data)
14. Business Continuity Plan
15. Valuation Policy
16. Risk Management Policy
17. Copies of all side agreements or rights ("side letters") the Fund has entered into
18. Compliance Manual
19. Code of Ethics/Conduct
20. Conflicts of Interest Policy
21. Personal Trading Policy
22. Completed due diligence report/investment recommendation for two recent investments
23. Chart: Firm ownership structure (as referenced in Detailed Questions section 1.0)
24. Chart: Firm management/organizational structure (as referenced in Detailed Questions section 1.0)
25. Firm budget (as referenced in Detailed Questions section 1.0)
26. Fund budget (as referenced in Detailed Questions section 2.0)
27. Chart: Fund legal/tax structure (as referenced in Detailed Questions section 2.0)
28. List of LPs from the most recent fund that are not re-upping (as referenced in Detailed Questions section 2.0)
29. List of LP secondary sales (as referenced in Detailed Questions section 2.0)
30. List of the Fund's LP Advisory Board Members (as referenced in Detailed Questions section 2.0)
31. Working example of the most recent fund's distribution waterfall, noting any variations from the expected calculations for the Fund (as referenced in Detailed Questions section 8.0)
32. Return comparison of prior funds vs. relevant benchmark (as referenced in Detailed Questions section 11.0)
33. IPO Graph (as referenced in Detailed Questions section 11.0)

**If applicable, all requested documents/templates should be in spreadsheet format

Appendix B - Templates: Team Members**

B1: Team Members – Investment Professionals (current)

For all current investment professionals, provide detailed information on professional background, role at Firm and time allocation:

- o First Name
- o Last Name
- o Current Title
- o Original Title When Hired
- o Birth Year
- o Date Joined Firm
- o Date of Most Recent Promotion
- o Office Location
- o Total Years of Relevant Experience
- o Previous Professional Experience (including years at each company)
- o Education
- o Investment Committee Role
- o Is defined in the Fund’s “Key-Person” agreement (y/n)
- o Is defined as a “Principal” in this document (y/n)
- o Directorships Held (portfolio company, external, non-profit, etc. - including details on roll and monthly time commitments)
- o Investments Responsible For (lead)
- o Investments Responsible For (non-lead)
- o Target Number of Investments Responsible For
- o Average Number of Days Spent on Each Investment per month
- o Time Allocation % (1 of 2):
 - %Deal Sourcing
 - %Deal Execution
 - %Portfolio Monitoring
 - %Operations
 - %Marketing
 - %Investor Relations
 - %Administration
 - %Non-Fund Initiatives
 - %Other (please explain)
- o Time Allocation % (2 of 2):
 - %New Fund
 - %Existing Funds/Other

B2: Team Members – Non-Investment Professionals (current)

For all current non-investment professionals, provide detailed information on professional background and role at the Firm:

- o First Name
- o Last Name
- o Title
- o Role (IR, Finance, etc.)
- o Office Location
- o Birth Year
- o Date Joined Firm
- o Total Years Relevant Experience
- o Previous Professional Experience (including years at each company)
- o Education

B3: Team Members (former)

Provide details on all investment professional and senior non-investment professional departures over the past 10 years:

- o First Name
- o Last Name
- o Title at Departure
- o Date Joined Firm
- o Date Departed Firm
- o Office Location
- o Current Status (Employer/Education/Retired/Etc.)
- o Reason for Departure
- o Investments Responsible For (lead)
- o Investments Responsible For (non-lead)

B4: Firm Internal Advisory Board(s)

Provide a list of the all members of the Firm’s internal advisory board(s)

- o Board Name
- o First Name
- o Last Name
- o Year Joined
- o Board Role (chair, observer, etc.)
- o Affiliation(s)
- o Biography

B5: Office Locations

List all office facilities the Firm has ever operated, providing the:

- o Office Location
- o Year Opened
- o Year Closed
- o Phone Number
- o Office Head
- o Current Staff Count
- o Historical Staff Count (max. # of employees at any one point)
- o Specific Duties Performed in that Office (e.g. back-office, sourcing, etc.)

**If applicable, all requested documents/templates should be in spreadsheet format

Appendix C - Templates: References**

C1: References – General

Provide a broad cross-section of references (e.g. co-investors, deal sources, bankers, personal references):

- o First Name
- o Last Name
- o Title
- o Company
- o Relationship Type
- o Phone Number
- o Email Address

C2: References – Portfolio Companies

Provide references at all portfolio companies in the last two funds; References should at least include the current CEO and any displaced CEOs during the fund's ownership:

- o First Name
- o Last Name
- o Title
- o Company
- o Phone Number
- o Email Address

C3: References – Service Providers

Provide a list of any third-party service providers (accountants, attorneys, consultants, custodians, IT, software, prime brokers, etc.) used by the Firm over the past 5 years:

- o Company
- o Relationship Type
- o Brief Description of Role
- o First Name
- o Last Name
- o Title
- o Phone Number
- o Email Address
- o Expiration Date of Existing Contract (if applicable)

C5: References – Limited Partners

List all Limited Partners in: 1) the Fund and 2) the previous fund:

- o Name of Institution
- o Investor Type (Public Pension, Endowment, SWF, etc.)
- o First Name
- o Last Name
- o Title
- o Phone Number
- o Email Address
- o Admission Source (1st close, secondary purchase, etc.)
- o Fund Name
- o Commitment Amount

C6: References – LP Advisory Board Members

Provide a list of LP Advisory Board members in the previous fund:

- o Institution Name
- o Investor Type (Public Pension, Endowment, SWF, etc.)
- o First Name
- o Last Name
- o Title
- o Phone Number
- o Email Address
- o Committed to Fund? (y/n)

C7: References – Auditors

Provide the contact information for the auditor of the Fund and of all prior funds:

- o Firm Name
- o Fund(s) Audited
- o First Name
- o Last Name
- o Title
- o Phone Number
- o Email Address

C8: References – Placement Agents

List all placement agents and fundraising advisors used during fundraising:

- o Firm Name
- o First Name
- o Last Name
- o Title
- o Phone Number
- o Services Provided
- o Fund Name
- o Payment Structure/ Amount
- o Registration Number(s)

C9: References – Background Checks

List any vendors that have performed background checks on the Firm or its employees:

- o Vendor Name
- o First Name
- o Last Name
- o Title
- o Phone Number
- o Email
- o Services Provided

**If applicable, all requested documents/templates should be in spreadsheet format

Appendix D - Templates: Fund**

D1: Performance & Attribution: Fund

Provide the following for each prior fund on a since inception basis, using the Net Asset Values attributable to the most recent quarter. If applicable, provide totals for: 1) the GP's share and 2) aggregate LPs' share. Where noted, all values should be denominated (as of the transaction day) in: 1) the respective fund's reporting currency, 2) US Dollar (\$) and 3) Euro Dollars (€):

- o Fund Name
- o Vintage Year
- o Date of Initial Capital Call
- o Fund Size (fund reporting currency)
- o Performance Metrics (multiple currencies):
 - Total Contributions, incl. fees (GP/all LPs)
 - Total Contributions, excl. fees (GP/all LPs)
 - Total Distributions (GP/all LPs)
 - Current NAV (GP/all LPs)
 - Net IRR (GP/all LPs)
 - Gross IRR (GP/all LPs)
- Total Value to Paid-In (TVPI) (GPs/all LPs):
 - Net of Fees
 - Gross of Fees
- Distribution Value to Paid-In (DVPI) (GP/all LPs):
 - Net of Fees
 - Gross of Fees
- Reported Value to Paid-In (RVPI) (GP/all LPs):
 - Net of Fees
 - Gross of Fees
- o Total # of Invs. Made
- o Total # of Invs. Remaining
- o Average Age of All Investments
- o Total Fees Collected from Portfolio Companies, incl. fees that accrued to benefit of LPs (fund reporting currency)
- o Total Fees Collected from Portfolio Companies, excl. fees that accrued to benefit of LPs (fund reporting currency)
- o Total Realized Carry (fund reporting currency)
- o Total Estimated Unrealized Carry (fund reporting currency)
- o Total Current Clawback Balance (if applicable) (fund reporting currency)

D2: Cash Flows: Fund

Provide detailed cash flows (incl. stock distributions) for each prior fund on a since inception basis, using the Net Asset Values attributable to the most recent quarter. Data should be broken down between the: 1) GP's share and 2) aggregate LPs' share. All values should be denominated (as of the transaction day) in: 1) the respective fund's reporting currency, 2) US Dollar (\$) and 3) Euro Dollars (€). This information should allow for the calculation of net/gross IRRs and multiples for each fund (in multiple currencies). Values presented should reconcile to the funds' financial statements and Appendix D1:

- o Fund Name
- o Date of Cash Flow
- o Fund Reporting Currency
- o Amount (multiple currencies)
- o Type of Flow (Call, Cash Dist., Stock Dist., etc.)
- o NAV as of the Most Recent Quarter (multiple currencies)
- o Cash Flow Description (Investment, Fees, etc.)

**If applicable, all requested documents/templates should be in spreadsheet format

Appendix E - Templates: Portfolio Investments**

E1: Deal Log: Portfolio Investments

Provide a copy of the Firm's deal flow log for all investments reviewed over the last 5 years, where the General Partner either, (i) expressed a level of interest; (ii) commenced due diligence; and/or (iii) generated a letter of intent. Include information on the source and estimated transaction size of the investment opportunity:

- o Date of Opportunity
- o Portfolio Investment Name
- o Short Description of Opportunity
- o Source of Opportunity
- o Type of Auction (if applicable)
- o Purchase Type (take-private, trade sale, carve-out, etc.)
- o Deal Log Status (i.e. how far the opportunity progressed through the deal pipeline)
- o Inv. Transaction Currency
- o Estimated Total Transaction Size (inv. transaction currency)
- o Estimated Fund Investment Size (inv. transaction currency)

E2: Performance & Attribution: Portfolio Investments

Provide summary tables of all realized and unrealized portfolio investments in prior funds on a since inception basis (unless noted otherwise), using the investment value attributable to the most recent quarter (or at exit for realized invs.). All spin-offs and partial divestitures should be properly notated in the table (if necessary, provide additional explanation in a supplemental table). All values should be denominated (as of the transaction day) in: 1) the respective fund's reporting currency and 2) the investment's reporting currency:

- o Portfolio Investment Name
- o Status (realized/unrealized)
- o Fund Name (if cross-fund investment, separate each fund)
- o Fund Reporting Currency
- o Inv. Transaction Currency
- o Seller Name at Entry
- o Purchase Type (take-private, trade sale, carve-out, etc.)
- o Date of Purchase Agreement
- o Initial Investment Date
- o Short Business Description
- o Source of Opportunity
- o Sector/Industry
- o Geography: Headquarters
- o Geography: Base of Operations
- o Geography: Primary Market
- o Value Creation Thesis
- o Security Type (e.g. sub-debt)
- o Number of Shares/Units
- o Lending Syndicate Names
- o Investment Metrics - at Entry (multiple currencies):
 - Fund Ownership % (pro-rata, fully diluted)
 - Total # of Board Seats
 - Fund's # of Board Seats (pro-rata)
 - LTM EBITDA
 - LTM Revenue
 - Enterprise Value
 - Equity Value
- o Net Debt
- o LTM Interest Expenses
- o Date of Sale Agreement
- o Exit Date
- o Exit Type (IPO, write-off, etc.)
- o Buyer Name at Exit
- o Investment Metrics - Current/at Exit (multiple currencies)- *include since-inception, compound annual growth rates (CAGR) for all applicable metrics:*
 - Fund Ownership % (pro-rata, fully diluted)
 - Total # of Board Seats
 - Fund's # of Board Seats (pro-rata)
 - LTM EBITDA
 - LTM Revenue
 - Enterprise Value
 - Equity Value
 - Net Debt
 - LTM Interest Expenses
- o Total Value to Paid-In (TVPI = $((c+d)/a)$) (multiple currencies)
- o Distribution Value to Paid-In (DVPI = c/a) (multiple currencies)
- o Reported Value to Paid-In (RVPI = (d/a)) (multiple currencies)
- o Total Realized Carry (fund reporting currency)
- o Total Current Unrealized Carry (estimated) (fund reporting currency)
- o Valuation Methodology (e.g. market multiples, DCF, etc.)
- o Enterprise Value (using Firm's reported interim valuation prior to signing of sale agreement (realized invs. only)
- o Deal Team Member (lead)
- o Deal Team Member (sourcing)
- o Deal Team Member (diligence)
- o Co-Investors, w/ ownership % and equity invested (Non-LPs -)
- o Co-Investors, w/ ownership % and equity invested (LPs)
- o In Compliance with Covenants (Currently)? (y/n)
- o In Compliance with Covenants (during life of inv.)? (y/n)
- o Total Inv. Capital at Entry
- o Total Inv. Capital to Date (multiple currencies) (a)
- o Current Investment Cost (multiple currencies) (b)
- o Total Proceeds to Date (multiple currencies) (c)
- o Current Reported Value (multiple currencies) (d)
- o Gross IRR (multiple currencies)

**If applicable, all requested documents/templates should be in spreadsheet format

Appendix E - Templates: Portfolio Investments (cont.)**

E3: Cash Flows: Portfolio Investments

Provide detailed cash flow information for each realized and unrealized investment in prior funds on a since inception basis (unless noted otherwise), and the investment reported value attributable to each quarter end. If applicable, provide detailed cash flow information for each deal previously completed by each Lead Deal Team Member prior to joining/forming the General Partner. All values should be denominated (as of the transaction day) in: 1) the respective fund's reporting currency and 2) the currency of the investment transaction. This information should allow for the calculation of gross IRRs and multiples for each portfolio investment (in local & legal currency). Values presented should reconcile to the funds' financial statements and Appendix E2:

- | | | |
|-----------------------------|--------------------------------|---------------------------------|
| o Portfolio Investment Name | o Fund Reporting Currency | o Type of Cash Flow |
| o Deal Team Member (lead) | o Investment Transaction | o Cash Flow Description |
| o Fund Name | o Currency | o Reported Value at Quarter End |
| o Date of Cash Flow | o Amount (multiple currencies) | o (multiple currencies) |

E4: Fee Schedule: Portfolio Investments

Provide detailed cash flow information related to all fees charged to portfolio companies, denominated in the Fund's reporting currency:

- | | |
|---------------------|-------------------------------------|
| o Date of Cash Flow | o Portfolio Investment Name |
| o Amount | o Type of Fee (e.g. Director's Fee) |

E5: Debt Maturities: Portfolio Investments

For all unrealized investments, provide debt covenant details. Provide data for 3 years prior to the investment, through the ownership. All values should be denominated in the investment's reporting currency:

- | | | |
|-----------------------------|---------------------------|--------------------|
| o Portfolio Investment Name | o Debt Maturities by Year | o Origination Fee |
| o Total Current Debt | o Number of Tranches | o Payment Schedule |

E6: Investment Details: Portfolio Investments

Each page is designed to give the limited partner a qualitative and quantitative synopsis on each investment (realized & unrealized) and should include the following sections (denominated in the investment's reporting currency):

Overview:

- | | | |
|----------------------------------|---|---|
| ▪ Portfolio Investment Name | ▪ Other Significant Investors | ▪ Types of Alternative Funding Sources Used (e.g. SBIC) |
| ▪ Status (realized/unrealized) | ▪ Any C-Level management changes during investment | ▪ Deal Team Member (lead) |
| ▪ Detailed Business Description | ▪ Significant Post-Investment Issues (e.g. covenant breach) | ▪ Deal Team Member (sourcing) |
| ▪ Detailed Sourcing Information | ▪ Exit Type (IPO, write-off, etc.) | ▪ Deal Team Member (diligence) |
| ▪ Detailed Value Creation Thesis | | ▪ Gross IRR |
| ▪ Transaction Summary | | |

Financial Tables (provide annual data for 3 years prior to the investment through the ownership):

- | | | |
|----------------------------|--|--------------------------|
| ▪ Revenue (value and CAGR) | ▪ Equity Balance | ▪ Other Relevant Metrics |
| ▪ EBITDA (value and CAGR) | ▪ Value of Outstanding Warrant and Options | |
| ▪ Debt Balance | | |

Status (current or at exit):

- | | |
|--|---|
| ▪ Short Company Assessment (e.g. on plan, above plan, below plan) | ▪ Valuation Bridge with commentary on changes/drivers, including: (i) additional capital invested, (ii) operational improvement/ decline, (iii) multiple expansion/ compression and (iv) leverage |
| ▪ Detailed Company Assessment | ▪ Provide information for each add-on acquisition |
| ▪ Capitalization Table (table format is not rigid, adjust as appropriate for relevant portfolio company) | ▪ Describe the expectations regarding future cash flow needs, valuations and realization events |
| ▪ Recent Events and Key Initiatives | |
| ▪ Valuation Methodology/ Assumptions (including a list of comparable companies) | |

**If applicable, all requested documents/templates should be in spreadsheet format

*For more information on the ILPA
visit ilpa.org or call (416) 941-9393*



55 YORK STREET, SUITE 1200 • TORONTO, ONTARIO M5J 1R7 • (416) 941-9393 • ILPA.ORG

© 2013 Institutional Limited Partners Association. All rights reserved.