

# Document Checklist: Fund Closing Packet

Version 1.0



September 2016

## Introduction

The following guidance addresses the documents (provided by the GP, third parties, and internally-generated) that an LP should collect, create, and review at various points during the closing of a fund. As several of these documents are often revised after the final closing, this guidance also suggests which should be monitored for changes in subsequent periods. Ideally, all of these documents should be collected and organized into a single folder (either physical or digital) as a single, easy-to-navigate resource that can be referenced over the life of a single fund.

This checklist includes the:

- Name, description, and source of each document
- LP department(s) (accounting, legal, etc.) that would likely use each document
- Fundraising stage(s) that the document would be collected (incl. post-fundraising)

A print-friendly version of this checklist, which can be used to make internal notes for an individual fund, is also available as a separate attachment. Please note that individual LPs should exercise their best judgement to determine if any of the items on this checklist are applicable to their organization.

We will continuously reflect member feedback and new market conditions into this document. From time-to-time, look for updated versions on the ILPA member website. Please contact me directly with your feedback.

Sincerely,

Matthew DeMatteis  
ILPA Director, Research  
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Disclaimer: All interested parties should, subject to applicable laws, respect the confidentiality of information contained in reports provided in connection with investments. The Fund Closing Checklist (Checklist) reflects the view of the participants involved in the creation thereof as to best practices with respect to fund monitoring. However, no limited partner should utilize the Checklist as a substitute for its own determination as to what information such limited partner will need or desire with respect to any particular investment. Further, no representation is made that the contents within the Checklist, when provided by general partners to their investor base, will include all desirable information or will be fully inclusive of all information needed for any limited partner to effectively monitor its investments.

Documents to Collect (\*if not provided elsewhere)

Document	Description	Doc. Source	LP Role	Stage(s) Document is Collected			
				Due Diligence	Investor's Closing	Final Closing	Post-Closing
<b>Limited Partnership Agreement ("LPA")</b> <ul style="list-style-type: none"> <li>• Original LPA</li> <li>• Amended and Restated LPAs</li> <li>• List of Amendments</li> <li>• Final LPA</li> <li>• Prior Fund LPA</li> </ul>	LPA provides guidelines and describes duties and obligations of a fund's participants	GP	<ul style="list-style-type: none"> <li>• Legal</li> <li>• Investment/Monitoring</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Private Placement Memorandum ("PPM") & Addenda	The prospectus of a new fund; A marketing tool that allows the investor to quickly screen for key characteristics, including strategy and performance, as well as terms which typically transfer into the LPA	GP	<ul style="list-style-type: none"> <li>• Legal</li> <li>• Investment/Monitoring</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subscription Agreement, including: <ul style="list-style-type: none"> <li>• Tax documents (e.g. W9; varies with jurisdiction)</li> <li>• Tax determination letter (if applicable)</li> <li>• List of persons with signatory authority</li> <li>• Wire instructions</li> </ul>	An application of an individual investor to join a new fund; An LP must meet certain criteria in order to be admitted and the agreement contains certifications that such criteria are met (e.g. qualified investor, tax status, etc.); Signed at closing (either early or final), the LP and the GP confirm the acceptance of the terms, as stated in LPA and side letter, and the LP commits a stated amount to invest in the fund	GP/LP	<ul style="list-style-type: none"> <li>• Legal</li> <li>• Accounting</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management Agreement	An agreement regulating the management of a fund by the GP, as well as any transfer of management to a third party	GP	<ul style="list-style-type: none"> <li>• Legal</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Side Letter (if applicable)	An agreement between an individual investor and a fund, regulating unique requirements of the LP, or modifying the LPA to accommodate the LP's individual needs; Allows the fund to offer customized terms to investors that otherwise would not be able to accept the standard LPA	GP/LP	<ul style="list-style-type: none"> <li>• Legal</li> <li>• Accounting</li> <li>• Investment/Monitoring</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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				Due Diligence	Investor's Closing	Final Closing	Post-Closing
MFN Elections	The Side Letter is associated with the Most Favored Nation ("MFN") clause, which allows an LP with MFN status to review all other side letters and elect the more favorable provisions	GP/LP	<ul style="list-style-type: none"> <li>• Legal</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Firm Organizational Chart / Structure*	Depicts the hierarchy, ownership, and control of individual groups, vehicles, or institutions that collectively have an impact on the fund's management, flow of economics, and ownership	GP	<ul style="list-style-type: none"> <li>• Legal</li> <li>• Investment/Monitoring</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fund Structure*	A fund can often consist of sub-funds and vehicles that are created to accommodate specific requirements of individual investors or individual investments; Participation in sub-funds and special vehicles often result in additional cost; Examples include: special purpose vehicles, blockers, offshore/onshore, separate accounts	GP	<ul style="list-style-type: none"> <li>• Legal</li> <li>• Investment/Monitoring</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Guarantees* <ul style="list-style-type: none"> <li>• Individual</li> <li>• Combined</li> </ul>	The obligations of the management company, GP, and partners to the fund. Often stated in the LPA; Guarantees can be provided to ensure that certain obligations would be met even if there are no assets left in the Fund; Guarantees can be provided by institutions or individuals; LPs typically prefer joint and several guarantees as they offer convenience of pursuing liabilities from all or individual guarantors	GP	<ul style="list-style-type: none"> <li>• Legal</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Sample Reporting*	All examples of periodic reporting and communications to LPs; Basic reporting is typically defined in an LPA and consists of quarterly capital account statements and financial statements for the fund or sub-fund (annually audited); May also include an investor letter and other quarterly forms of communication; The LPA also provides a description of capital calls and distribution notices; Any additional type of reporting is regulated in the side letter	GP/LP	<ul style="list-style-type: none"> <li>Accounting</li> <li>Investment/Monitoring</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal Review (if applicable) <ul style="list-style-type: none"> <li>Key Terms and Conditions</li> <li>Changes to prior LPAs</li> </ul>	A summary of major terms from the LPA and side letter, typically provided by a legal counsel to an individual LP; The legal review lists key terms of each closing document in an organized, section-by-section format; LPs can also create their own template to list their term preferences	LP/ Third Party	<ul style="list-style-type: none"> <li>Legal</li> <li>Investment/Monitoring</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Prudent Person Opinion (if applicable)	A third party opinion on whether the investment is suitable for the portfolio	Third Party	<ul style="list-style-type: none"> <li>Legal</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication Matrix	Three distinct contact lists: <ul style="list-style-type: none"> <li>Key contacts for the GP and the fund's 3rd parties (administrator, counsel, etc.)</li> <li>All LP contacts</li> <li>Key contacts for your organization, whom the GP is authorized to contact (incl. any legal counsel and advisors that are authorized to receive, acknowledge, and approve fund documents); List provided to the GP, as needed</li> </ul>	GP/LP	<ul style="list-style-type: none"> <li>Legal</li> <li>Accounting</li> <li>Investment/Monitoring</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Documents to Collect (\*if not provided elsewhere)

Document	Description	Doc. Source	LP Role	Stage(s) Document is Collected			
				Due Diligence	Investor's Closing	Final Closing	Post-Closing
<p>Other Monitoring Documents*</p> <ul style="list-style-type: none"> <li>• Legal certification (actions pending against the GP)</li> <li>• Registration with Regulatory Authorities</li> <li>• Changes to GP organization and ownership</li> <li>• Additions/departures/ promotions</li> <li>• List of co-investments: prior Funds, net performance</li> <li>• Allocation policy</li> <li>• Environmental, social and governance (ESG) policy and updates</li> <li>• Valuation policy</li> <li>• Changes of service providers and auditors</li> <li>• Regulatory reviews</li> <li>• Affiliated party agreements and transactions</li> <li>• Conflicts</li> <li>• Disaster recovery plan</li> </ul>	<p>Typically collected during due diligence or before closing, these miscellaneous documents may also be obtained from the PPM, DDO, financial statements or other sources; As a best practice, periodic checks should be completed to ensure this content is up-to-date</p>	GP/LP	<ul style="list-style-type: none"> <li>• Legal</li> <li>• Accounting</li> <li>• Investment/ Monitoring</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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