

Summary of Changes

Summary of Changes

Overview of Major Changes

New Sections

- Added new section 3.0 Succession Planning / Key Persons / Principals
- Added new section 5.0 Co-Investments
- Added new section 6.0 GP-Led Secondaries / Continuation Funds
- Added new section 7.0 Credit Facilities
- Added new section 18.0 Data Security / Technology / Third-Party(s)

Adjusted Sections

- Split out section 15.0 to focus on Accounting / Valuation
- Split out section 16.0 to just focus on Reporting
- Split out section 17.0 to just focus on Legal

New Question Focuses

- Added questions related to New Sections (see above)
- Added questions related to documents previously just independently requested in Appendix
- Added questions related to policies/practices at portfolio companies (where the Firm holds a controlling interest), where applicable
- Section 1.0 Firm: General Information: Added questions related to HR, values, organizational goals, culture, PPP loans/government assistance, and news stories
- Section 2.0 Fund: General Information: Added questions related to capital raising
- Section 4.0 Investment Strategy: Added questions related to SPACs
- Section 8.0 Investment Process: Added questions related to technology tools, and board representation
- Section 9.0 Team: Added questions related recruiting, retention, remote work, performance appraisal, technology tools, and training
- Section 10.0 Alignment of Interests: Added questions related to additional means for commitments from the General Partner and/or any of its Principals to be financed
- Section 11.0 Market Environment: Added questions related to pipeline of opportunities
- Section 12.0 Fund Terms: Added questions related to water fall provision/preferred return hurdle, carried interest on gains gross of management fee and expenses, clawback amounts gross of taxes paid, management fee basis calculation disclosure, processes and tools used to calculate and verify, realized carried interest clawback position, deemed contribution structure, affiliate services, and allocation of fees
- Section 13.0 Firm Governance / Risk / Compliance: Added questions related to existence of policies, CCO, SEC examinations, SEC Deficiency Letter, internal controls, AML/CFT, GDPR, political contributions, lobbyist, and whistle blowers
- Section 14.0 Track Record: Added questions related to returns with and with the use of credit facility
- Section 15.0 Accounting / Valuation: Added questions related to valuation policy, accounting/valuation practices done in-house vs. by external third-party, 'non-conformity' identified by internal audit team, resolving identified control weakness, audit firm, and valuation firm
- Section 16.0 Reporting: Added questions related to reporting practices done in-house vs. by external third-party, reporting provided, side letters, investor portal, custom requests, and GIPS

- Section 17.0 Legal: Added questions related to fiduciary obligation, internal Legal/Compliance functions, and law firm(s) and/or legal consultant(s) providing services to the Firm or Fund

New Appendix:

- Added new Appendix D: ThirdParty(s) and Technology Tool(s)
- Added new Appendix G: GP-Led Secondaries / Continuation Funds
- Added new Appendix H: Credit Facilities

New Sections within Appendix C:

- Added new C7: References – Valuation Firms

New Documents within Appendix A:

- 13) Foundational Documents/Constitutional Documents
- 16) Compliance Manual for Portfolio Companies
- 18) Conflicts of Interest Policy for Portfolio Companies
- 20) SEC Deficiency Letter
- 21) Internal Control Reports (e.g., SSAE 18 or ISAE 3402) from Key Third-Party(s)/Suppliers
- 22) AML/CFT Policy
- 26) Insurance Policy (e.g., fidelity bond insurance, errors and omission insurance, directors and officers insurance or cyber threats insurance)
- 27) Valuation Policy
- 28) GIPS Report
- 29) Cyber/Informaiton Security Policy
- 30) Cyber/Informaiton Security Policy for Portfolio Companies
- 33) Responsible Investment (RI) Policy
- 34) Section of PPM or other Marketing Materials relevant to ESG
- 35) TCFD Report
- 36) ILPA Diversity Metrics Template – Firm/Management Company, Staff Movement and Portfolio Companies
- 37) Diversity, Equity and Inclusion Policy, Statement or Strategy
- 38) Diversity, Equity and Inclusion Policy, Statement or Strategy for Portfolio Companies
- 40) Code of Ethics/Code of Conduct for Portfolio Companies
- 42) Recruiting Process and Policy
- 43) Employee Retention and Engagement Programs
- 45) Performance Appraisal Process Specific to Relevant Advancing DEI Contributions
- 49) Sample Deal Term Sheet
- 57) Pipeline of Opportunities
- 59) Working example showing a preferred return being reached, including scenarios that would increase the preferred return, or prevent its decline, other than via traditional investment gains or losses (e.g., effects of credit facility or investment write-offs)

Changes to Basic Quesitons Section:

Section 1.0 Firm: General Information

- Added new questions: BQ 1.8, BQ 1.9. BQ 1.10

Section 2.0 Fund: General Information

- Exported question about co-investments to newly created section 5.0 Co-Investments (now BQ 5.1)

Section 3.0 Succession Planning / Key Persons / Principals

- Added new questions: BQ 3.1, BQ 3.2, BQ 3.3, BQ 3.4, BQ 3.5
- Imported questions related to Principals and Key-Persons previously found in the Team section into this section: BQ 3.6, BQ 3.7, BQ 3.8, BQ 3.9

Section 4.0 Investment Strategy:

- Added new questions: BQ 4.3, BQ 4.4, BQ 4.5

Section 5.0 Co-Investments

- Added new questions: BQ 5.2, BQ 5.3, BQ 5.4, BQ 5.5, BQ 5.6, BQ 5.7, BQ 5.8, BQ 5.9
- Imported question related to co-investment previously found in the Fund: General Information section into this section: BQ 5.1

Section 6.0 GP-Led Secondaries / Continuation Funds

- Added new questions: BQ 6.1, BQ 6.2, BQ 6.3, BQ 6.4, BQ 6.5, BQ 6.6, BQ 6.7, BQ 6.8, BQ 6.9, BQ 6.10

Section 7.0 Credit Facilities

- Added new questions: BQ 7.1, BQ 7.2, BQ 7.3, BQ 7.4, BQ 7.5, BQ 7.6, BQ 7.7, BQ 7.8, BQ 7.9, BQ 7.10

Section 9.0 Team

- Added new questions: BQ 9.1, BQ 9.2, BQ 9.3, BQ 9.4, BQ 9.5
- Exported questions related to Principals and Key-Persons to newly created section 3.0 Succession Planning / Key Persons / Principals (now BQ 3.6, BQ 3.7, BQ 3.8, BQ 3.9)

Section 10.0 Alignment of Interests

- Added new questions: BQ 10.3, BQ 10.6, BQ 10.7

Section 12.0 Fund Terms

- Added new questions: BQ 12.6, BQ 12.7, BQ 12.8, BQ 12.9
- Removed question related to endorser of ILPA Principles as ILPA no longer seeks endorsement on the latest version of the ILPA Principles

Section 13.0 Firm Governance / Risk / Compliance

- Added new questions: BQ 13.1, BQ 13.2, BQ 13.3, BQ 13.4, BQ 13.5, BQ 13.6, BQ 13.7, BQ 13.9, BQ 13.11, BQ 13.12, BQ 13.14, BQ 13.15, BQ 13.16, BQ 13.17, BQ 13.18, BQ 13.19, BQ 13.20, BQ 13.21
- Modified questions: BQ 13.22
- Imported question about examination of internal controls (e.g., SSAE 18 or ISAE 3402) previously found in the Legal/Administration section into this section: BQ 13.13

Section 15.0 Accounting / Valuation

- Added new questions: BQ 15.1, BQ 15.9
- Modified questions: BQ 15.4, BQ 15.6, BQ 15.7, BQ 15.8
- Exported questions relating to the standard reporting packages, types of ILPA templates provided, and GIPS compliance to newly broken out section 16.0 Reporting (now BQ 16.1, BQ 16.2, BQ 16.4, BQ 16.5, BQ 16.6, BQ 16.7)

Section 16.0 Reporting

- Added new questions: BQ 16.3, BQ 16.6
- Modified questions: BQ 16.1, BQ 16.2, BQ 16.7

- Imported questions relating to the standard reporting packages, types of ILPA templates provided, and GIPS compliance to previously found in the combined Accounting/Valuation/Reporting section: BQ 16.1, BQ 16.2, BQ 16.4, BQ 16.5, BQ 16.6, BQ 16.7

Section 17.0 Legal

- Added new questions: BQ 17.3, BQ 17.4, BQ 17.5
- Exported question about examination of internal controls (e.g., SSAE 18 or ISAE 3402) to section 13.0 Firm Governance / Risk / Compliance (now BQ 13.13)
- Exported questions about IT to newly created section 18.0 Data Security / Technology / Third Parties

Section 18.0 Data Security / Technology / Third Party(s)

- Added new questions: BQ 18.1, BQ 18.2, BQ 18.3, BQ 18.4, BQ 18.5, BQ 18.6, BQ 18.7, BQ 18.8, BQ 18.9, BQ 18.10, BQ 18.11, BQ 18.12, BQ 18.13, BQ 18.14, BQ 18.15, BQ 18.16

Section 20.0 Diversity, Equity and Inclusion

- Added new questions: BQ 20.1, BQ 20.2, BQ 20.3, BQ 20.4, BQ 20.5, BQ 20.8, BQ 20.9, BQ 20.16, BQ 20.17, BQ 20.19, BQ 20.21, BQ 20.22
- Modified questions: BQ 20.6, BQ 20.7, BQ 20.12, BQ 20.13, BQ 20.14, BQ 20.18, BQ 20.20

Changes to Detailed Questions Section:

Section 1.0 Firm: General Information

- Added new questions: DQ 1.9, DQ 1.11, DQ 1.12, DQ 1.14, DQ 1.15
- Modified questions: DQ 1.3, DQ 1.15
- Exported question about succession planning to newly created section 3.0 Succession Planning / Key Persons / Principals

Section 2.0 Fund: General Information

- Added new questions: DQ 2.5
- Exported question about co-investments to newly created section 5.0 Co-Investments (now DQ 5.1)

Section 3.0 Succession Planning / Key Persons / Principals

- Added new questions: DQ 3.1, DQ 3.2, DQ 3.3, DQ 3.4, DQ 3.5, DQ 3.8, DQ 3.12
- Imported questions related to Principals, Key-Persons, departures, and promotions previously found in the Team section into this section: DQ 3.6, DQ 3.7, DQ 3.10, DQ 3.11
- Imported question related to Key-Person provision previously found in the Fund Terms section into this section: DQ 3.9

Section 4.0 Investment Strategy

- Added new questions: DQ 4.11

Section 5.0 Co-Investments

- Added new questions: DQ 5.2, DQ 5.3
- Imported question related to co-investment previously found in the Fund: General Information section into this section: DQ 5.1

Section 6.0 GP-Led Secondaries / Continuation Funds

- Added new questions: DQ 6.1, DQ 6.2, DQ 6.3, DQ 6.4, DQ 6.5, DQ 6.6, DQ 6.7

Section 7.0 Credit Facilities

- Added new questions: DQ 7.1, DQ 7.2, DQ 7.3, DQ 7.4, DQ 7.5, DQ 7.6, DQ 7.7, DQ 7.8, DQ 7.9

Section 8.0 Investment Process

- Modified questions: DQ 8.1, DQ 8.2, DQ 8.4, DQ 8.5, DQ 8.6, DQ 8.10, DQ 8.14

Section 9.0 Team

- Added new questions: DQ 9.6, DQ 9.7, DQ 9.8
- Exported questions related to Principals, Key-Persons, departures, and promotions to newly created section 3.0 Succession Planning / Key Persons / Principals (now DQ 3.6, DQ 3.7, DQ 3.10, DQ 3.11)

Section 10.0 Alignment of Interests

- Modified questions: DQ 10.1

Section 11.0 Market Environment

- Added new questions: DQ 11.4

Section 12.0 Fund Terms

- Added new questions: DQ 12.2, DQ 12.5, DQ 12.6, DQ 12.7, DQ 12.8, DQ 12.9, DQ 12.11, DQ 12.15
- Modified questions: DQ 12.3, DQ 12.4, DQ 12.14, DQ 12.18
- Exported question related to Key-Person provision to newly created section 3.0 Succession Planning / Key Persons / Principals (now DQ 3.9)
- Removed question about notable deviations from each of the terms detailed in the most recent version of the ILPA Principles

Section 13.0 Firm Governance / Risk / Compliance

- Added new questions: DQ 13.3, DQ 13.4, DQ 13.5, DQ 13.8, DQ 13.9, DQ 13.10, DQ 13.11, DQ 13.12, DQ 13.13, DQ 13.14, DQ 13.16, DQ 13.17, DQ 13.18, DQ 13.20, DQ 13.21, DQ 13.23, DQ 13.24, DQ 13.25
- Modified questions: DQ 13.2, DQ 13.7, DQ 13.22, DQ 13.26, DQ 13.27
- Imported question about internal policies and procedures for capital movement, and insurance coverage previously found in the Legal/Administration section into this section: DQ 13.19, DQ 13.27

Section 14.0 Track Record

- Modified questions: DQ 14.4

Section 15.0 Accounting / Valuation

- Added new questions: DQ 15.1, DQ 15.2, DQ 15.3, DQ 15.4, DQ 15.8, DQ 15.9, DQ 15.13
- Modified questions: DQ 15.5, DQ 15.6, DQ 15.7, DQ 15.12
- Exported questions relating to the types of ILPA templates provided, and GIPS compliance to newly broken out section 16.0 Reporting (now DQ 16.7, DQ 16.8)

Section 16.0 Reporting

- Added new questions: DQ 16.1, DQ 16.2, DQ 16.3, DQ 16.4, DQ 16.5, DQ 16.6
- Modified questions: DQ 16.7, DQ 16.8
- Imported questions relating to types of ILPA templates provided, and GIPS compliance to previously found in the combined Accounting/Valuation/Reporting section: DQ 16.7, DQ 16.8

Section 17.0 Legal

- Added new questions: DQ 17.2, DQ 17.4, DQ 17.6, DQ 17.7, DQ 17.8, DQ 17.9
- Modified questions: DQ 17.1, DQ 17.3,
- Exported questions about IT to newly created section 18.0 Data Security / Technology / Third Parties

- Exported question about internal policies and procedures for capital movement, and insurance coverage to section 13.0 Firm Governance / Risk / Compliance (now DQ 13.19, DQ, 13.27)

Section 18.0 Data Security / Technology / Third Party(s)

- Added new questions: DQ 18.1, DQ 18.2, DQ 18.3, DQ 18.4, DQ 18.5, DQ 18.6, DQ 18.7, DQ 18.8, DQ 18.9, DQ 18.10, DQ 18.11, DQ 18.12, DQ 18.13, DQ 18.14, DQ 18.15, DQ 18.16, DQ 18.17, DQ 18.18

Section 20.0 Diversity, Equity and Inclusion

- Added new questions: DQ 20.3, DQ 20.4, DQ 20.5, DQ 20.6, DQ 20.7, DQ 20.9, DQ 20.10, DQ 20.11, DQ 20.12, DQ 20.13, DQ 20.15, DQ 20.16
- Modified questions: DQ 20.1, DQ 20.8