

Summary of Changes

Summary of Changes

Overview of Major Changes

New Format

- Collapsed the separate Basic Questions and Detailed Questions sections into one connected section
- Introduced tables to collect similar information in one section rather than asking throughout the DDQ - such as with *C-suite* and *Codes, Manuals or Policies*
- Added linking functionality between documents referenced in the DDQ and the corresponding location in Appendix A (and vice-versa)

New Streamlined Focus

- Streamlined focus of questions on the most relevant level at the Firm (all Firm vs. just Fund), staff (all Firm employees vs. just Leadership) and time-period (all history vs. last three years)
- Designed to ensure questions are targeting the level most important to the LP decision making process for the particular question
- Reduce unnecessary, time intensive efforts from GPs on particular questions

New Sections

- Added new section 3.0 Succession Planning / Key Persons
- 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: Third-Party(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