

GP Checklist for Existing LPs in a Continuation Vehicle (CV)

Objective: The aim of this checklist is to provide initial guidance to GPs on essential issues to consider and explain to LPs in any CV process to ensure a minimum standard of transparency, disclosure, and fairness. It is not itself a replacement for full and fair CV process management. It should be used alongside ILPA's Continuation Vehicle Guidance (and not in substitute for it).

Instructions for Using This Checklist: A GP should respond and disclose to its LPs how each point is addressed. Each question should be answered YES or NO and supported by a written explanation (inserted in the far right column including to indicate whether not applicable, and/or accompanied by reference to applicable supporting materials).

Section 1: Transparent LP Engagement and Conflicts Management		Yes	No	Other
1.1	Have you disclosed to all LPs a clear and specific commercial rationale for the proposed CV transaction, including evidence of any reasonably considered alternative structuring solutions for the asset(s) (including, if relevant only, any third-party control sales)?	☐	☐	
1.2	Have you demonstrated adherence to an internal allocation and/or conflicts policy (or similar) for identifying and managing CV conflicts (available to LPs on request)?	☐	☐	
1.3	Have you provided complete, accurate, timely disclosure of each GP conflict relating to the CV transaction, including advisor conflicts, fee incentives and other GP-only benefits?	☐	☐	
1.4	Have you disclosed how GP conflicts with advisors, LPAC members, lead investors, GP affiliates, or other conflicted parties are to be managed, including any exclusions from deliberations, voting, or access to non-public information?	☐	☐	
1.5	Have you engaged LPAC members consistently (without selective outreach) and ensured access to the same data room as CV investors prior to the CV conflicts waiver meeting?	☐	☐	
1.6	Have you provided the LPAC with sufficient time, at least 10 business days prior notice (unless mutually waived) before the CV conflicts waiver meeting, with sufficient transaction details, consistent with the ILPA Continuation Fund Disclosure Template ?	☐	☐	
1.7	Have you offered the LPAC the option to obtain independent legal advice (as a fund expense, subject to a reasonable and disclosed budget agreed with the LPAC)?	☐	☐	

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1.8	Have LPAC members had in-camera time without the GP present at the LPAC meeting to consider the GP's CV conflicts?	☐	☐	
1.9	Is the election period sufficient having regard to the CV's complexity and at least 20 clear business days from receipt of the final election pack materials (unless a shorter period has been agreed with the LPAC)?	☐	☐	
1.10	Have you established a mechanism to be available to LPs to allow them to raise their CV process queries?	☐	☐	
1.11	Do all existing LPs have unrestricted access to a data room no later than the start of the election period with the same core legal, commercial and financial information, valuation materials, underwritings, and projected performance metrics as CV investors (subject only to clearly justified confidentiality limitations)?	☐	☐	
1.12	Have you disclosed whether the preferred CV bid includes any GP-only incentives/benefits, i.e., to commit capital to another fund managed by the same GP?	☐	☐	

Section 2: Election Options		Yes	No	Other
2.1	Have you provided a side-by-side clear summary of all sell/roll options with an explanation for each option and its consequences to LPs, including dilution risks for rolling LPs?	☐	☐	
2.2	Does the sell/roll election summary provide a clear summary of the CV's expected hold period, exit strategy, target liquidity routes, refinancing assumptions, sale timing, and any rights or limitations affecting future liquidity?	☐	☐	
2.3	Have you offered any additional election option(s) such as tied co-investment to any LPs?	☐	☐	
2.4	Is there an option for existing LPs and co-investors to reinvest on existing (or substantially similar) terms, including economic terms?	☐	☐	
2.5	Does the roll election require a minimum additional commitment to the CV or require any stapled financing, and/or is it conditioned in any other way?	☐	☐	
2.6	Have all existing LPs been given a clear estimate of the return (MOIC/IRR) (modeled applying both any CV discount and vs. par) and the dollar amount of proceeds a selling LP will receive, net of transaction fees (on a basis consistent with current methodologies)?	☐	☐	
2.7	Have you provided reasonable, good-faith modeling, based on disclosed assumptions, demonstrating rolling LPs are economically no worse under the rolling management fee and carry structure compared with retaining exposure to the asset(s) through the existing fund (disregarding any LP-specific arrangements)?	☐	☐	
2.8	Have you agreed to any minimum (and/or prioritized) allocation with any lead (or other CV) investor(s)?	☐	☐	
2.9	Have you explained how rolling LPs' existing side letters will apply to the CV and whether they can be updated for necessary binding requirements?	☐	☐	

Section 3: Election Materials		Yes	No	Other
3.1	Have you provided a compact, plain language data room summary with sufficient information to inform an LP's sell/roll decision in the election pack together with information consistent with the ILPA Continuation Fund Disclosure Template ?	☐	☐	
3.2	Is the information disclosure (including data room) consistent as between existing LPs (both LPAC and non-LPAC members) and CV investors (including the lead investor(s))?	☐	☐	
3.3	Have you explained if and why RWI is being obtained? If so, is there an election pack policy summary disclosing who benefits, policy limit, retention, premium/costs allocation, impact on seller liability cap, material exclusions relevant to the CV process?	☐	☐	
3.4	Have projected performance outcomes been presented to existing LPs and CV bidders using consistent terminology, assumptions, data, and metrics?	☐	☐	
3.5	Have you explained the CV transaction's impact on the existing fund including its exit strategy, fund performance, fund expenses, remaining liabilities (including clawback), concentration risk, and/or refinancing needs?	☐	☐	
3.6	Have you disclosed how CV transaction proceeds will be used, including any repayment of fund-level debt, transaction expenses, reserves, and taxes?	☐	☐	

Section 4: Fair and Defensible Pricing		Yes	No	Other
4.1	Have you disclosed to LPs the basis for the negotiated CV price, including the relative weight given to third-party bids, independent fairness opinion, reference date valuation or other third-party valuation work, observable market comparables, GP underwriting, and sensitivity cases?	☐	☐	
4.2	Have you, in respect of the target asset(s), disclosed the original underwritten performance relative to (i) current financial metrics, and (ii) the estimated return to be generated by the CV transaction?	☐	☐	
4.3	Has an independent valuation firm undertaken a market valuation of the target asset(s) on terms disclosed to LPs (including key assumptions, limitations, reference date etc. and GP conflicts i.e., existing retainer or success-linked compensation)?	☐	☐	
4.4	Have you disclosed to LPs details of the auction process including bid funnel, evolution of pricing/key terms over bid rounds?	☐	☐	
4.5	Has any change been made to the valuation principles for the transferring asset(s) in the CV?	☐	☐	
4.6	Do the CV sale terms ensure the selling fund is capable of being cashed out in full on completion?	☐	☐	
4.7	Have you provided a concise, clear, plain English statement on CV transaction costs, including allocation and beneficiaries?	☐	☐	

Section 5: Evidence of Strong GP Alignment		Yes	No	Other
5.1	Only for a Deal-by-Deal (U.S.) Distribution Model: Have you disclosed the proportion of crystallized carried interest (net-of-tax) being reinvested in the CV, and explained reasons for any amounts not reinvested, and provided a "with-CV/without-CV" modeled carry comparison under upside/lowside cases?	☐	☐	
5.2.1	Only for a Whole-of-Fund (European) Distribution Model: Will the CV transaction cause the existing fund to reach its GP carry catch-up / carried interest?	☐	☐	
5.2.2	If so, have you disclosed the proportion of crystallized carried interest (net-of-tax) in respect of the CV asset(s) being reinvested in the CV and explained reasons for any amount not reinvested, and provided a "with-CV/without-CV" modeled carry comparison under upside/lowside cases?	☐	☐	
5.3	Have you disclosed the scale, source and structure of the GP's reinvestment in the CV including its "sponsor commitment"?	☐	☐	
5.4	Have you explained to LPs whether relevant senior management have an interest in the CV asset(s), and/or if fresh capital is being invested? Are any senior management receiving transaction bonuses (or similar) and/or is there any management incentive plan reset?	☐	☐	