

Preliminary Due Diligence Review – Information List

This information list provides a breakdown of some of the basic information institutional investors will likely want to cover during a due diligence process. It is not intended as an exhaustive list of due diligence items, but rather as a starting point for fund managers who are preparing a comprehensive due diligence package for prospective investors. Managers should tailor this list and add or delete items as appropriate for their particular circumstances.

1. Contact Information
 - a. Full legal name and address of Fund
 - b. Name, address, email, telephone and fax number of firm and primary contacts
2. Fund Legal Structure (including jurisdiction of establishment of each entity)
3. Overview of Firm
 - a. Brief history of firm
 - b. History of Funds (i.e. Fund; vintage year; capital committed)
4. Fund Management Team
 - a. Current Team (i.e. name; current position; year joined; location(s), years of private equity experience)
 - b. Departures above analyst-level (i.e. name; position at departure; year of departure; reason for departure)
 - c. Carry structure: Allocation and rationale of carry distribution
 - d. Time commitment of each professional dedicated to various fund activities (e.g. new investments, portfolio company management, fund operations)
 - e. Describe the area of focus/expertise of each partner of the General Partner
 - f. Outline the amount to be invested in the Fund by the General Partner
5. Investment Strategy
 - a. Provide an overview of the market opportunity and strategy to be employed to take advantage of the opportunity
 - b. Describe the Fund's deal flow process including sources
 - c. Describe the Fund's transaction due diligence process, and decision-making process
 - d. Describe the Fund's evaluation and monitoring processes and board representation policy (including a list of board seats/observer positions for all Investment Professionals)
 - e. Describe the Fund's exit strategy, including exit procedures and decision-making
 - f. Describe the competitive landscape in which your Fund is operating

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6. Portfolio review of most recent fund including (for each portfolio company):
 - a. Name and location
 - b. Sourcing, including the deal lead and member of the deal team
 - c. Investment thesis and rationale
 - d. Business description
 - e. Financing history (including co-investors)
 - f. Milestones met/identified

7. Performance and Valuation
 - a. Describe the historical performance of the Firm's private equity funds including:
 - i. Fund name and vintage year
 - ii. Realized/Partially Realized Investments
 1. Total capital invested
 2. Total realized/unrealized value
 3. Gross IRR and multiple
 4. Net IRR and multiple
 - iii. Total Investments
 1. Total capital invested
 2. Total realized/unrealized value
 3. Gross IRR and multiple
 4. Net IRR and multiple
 - b. In addition to the information listed above, please provide a full analysis of cash flows for each deal and Fund since inception (format template available)
 - c. Please provide current valuation of each unrealized investment including rationale/explanation of valuation metric(s)
 - d. Please provide a copy of the Fund's valuation policies and describe any past changes in these valuation policies

8. Litigation and Regulatory Actions
 - a. Briefly describe any past and/or current, pending or threatened litigation, bankruptcy, investigations or regulatory actions or proceedings which involves:
 - i. The Firm and/or its affiliates, the Fund or any predecessor funds
 - ii. Any of the key individuals of the General Partner, the Management Company or any affiliated entities
 - iii. Any portfolio company

9. References
 - a. Personal references for each partner
 - b. Professional references (as applicable) including:
 - i. Other current/previous LP (investor) references
 - ii. Co-investor references
 - iii. Existing and former portfolio company CEOs (or other senior-level professionals)
 - iv. Financing and investment banking references

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10. Administration

- a. What tasks with respect to fund administration are performed in-house? Outsourced? Are there any affiliates being paid by Fund to perform administration?
- b. Describe reporting to LPs, and specify frequency
- c. Please provide a sample of the Fund's LP reporting
- d. Please provide any standard templates used in conjunction with drawdowns and distributions
- e. Describe systems used in LP reporting, Fund accounting and cash management
- f. Who is the current external auditor of the partnership/fund? Has the external auditor been changed in the last 3 years? If so, what were the reasons for changing firms? What other services does this accounting firm provide to the partnership?
- g. Describe any non-arm's length relationships
- h. Describe the Firm's conflict of interest policy