

**Private Equity Partnership Request for Information**

**I. Firm**

1. Please provide the year your firm was established and give a brief history of your firm.
2. Please provide the organization’s name, and the name, title, address, phone number, fax number, and email address of the individual who will be our primary contact.
3. Please provide the address and website of the firm’s headquarters and all branch offices.
4. Please comment on the financial solvency of your firm. Do you have any firm debt? What is the minimum asset level required for your firm to remain profitable?
5. Please provide a brief description of your firm’s plans for growth, such as asset growth, personnel growth, succession planning, over the next 3-5 years.
6. Please give succession plans for key employees if retirements are planned within 5 years.

**II. Ownership**

1. What is the current ownership structure of the firm? Please include employees at all levels.
2. Are you a registered minority (at least 51% minority/woman owned) investment manager? If so, please attach state or local registration.
3. What is the ownership structure of the general partner entity? (Include percentage ownership.) Who are the principals of the general partner? How long has each of the principals been a participant of the general partner?
4. What provisions are in place to promote the retention of principals, and change allocations over time?
5. What, if any, are the carried interests and ownership interests in the general partner or management company held by individuals or business entities not employed by the firm?
6. What is the firm’s compensation structure? What are the vesting provisions? Are there vesting provisions for future general partner additions?
7. What is the general partner’s capital commitment to the fund? What is the amount committed by each participant in the general partner? What is the source for each contributor’s funds? (Cash, Deferred Fees, etc.)
8. Please provide a detailed three year budget for the general partner.
9. Please describe the firm’s professional turnover for the last five years, citing reasons for each departure and contacts for departed partners.
10. Are any new hires expected in the near term? Please explain at what level these new hires are expected, and their anticipated compensation (salary, bonus, participation in carried interest).
11. What is the decision-making process internally among the principals for (i) internal matters, (ii) new partners, and (iii) partnership operations and management decisions?
12. Does the firm have a succession plan in place? If so, please describe.
13. Identify all prior funds each principal has been involved with in any capacity. What is the status of those funds, and how much of the principals’ time is committed to each fund?
14. Do any of the principals have any conflicts of interest with the current fund?
15. Is the firm or any of its principals involved in, or a partner in, any other businesses outside of the firm’s activities? Please describe.
16. Has the firm or any of its principals (including former principals) ever been involved in any litigation? Please describe. Are any cases still open or pending?
17. Do any of the principals have any health or personal issues that should be of concern? Please explain.

**III. Client Breakdown**

1. Please provide the firm’s and product’s breakdown by clients as of the current date (as measured by % of assets under management) using the following format. Please provide a brief explanation as to the contents of “other.” For product asset please include all prior funds using the same strategy as the current offering.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Corporate**  | **Foundation/****Endowment** | **HNW/****Family** | **Insurance/****Financial** | **Mutual Fund** | **Public**  |
| **Firm** |  |  |  |  |  |  |
| **Product** |  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Religious**  | **Taft-Hartley** | **Sub-Advisory** | **Wrap** | **Other** |
| **Firm** |  |  |  |  |  |
| **Product** |  |  |  |  |  |

1. Please provide the firm’s and product’s breakdown by clients as of the current date (as measure by # of clients under management) using the following format. Please provide a brief explanation as to the contents of “other.”

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Corporate**  | **Foundation/****Endowment** | **HNW/****Family** | **Insurance/****Financial** | **Mutual Fund** | **Public**  |
| **Firm** |  |  |  |  |  |  |
| **Strategy** |  |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Religious**  | **Taft-Hartley** | **Sub-Advisory** | **Wrap** | **Other** |
| **Firm** |  |  |  |  |  |
| **Strategy** |  |  |  |  |  |

1. Please provide the following information on the firm’s and product’s client breakdown:

|  |  |
| --- | --- |
|  | **Assets (in Millions)**  |
| **Average Aggregate Client Size:** |  |
| **Largest:** |  |
| **Smallest:** |  |

1. Please list the top five consultants/financial advisors that you work with and the total underlying assets in the Fund that they represent.

|  |  |  |
| --- | --- | --- |
| **Consultant** | **Market Value****($mm)** | **% of PE Assets** |
|  |  |  |
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1. Have you entered into any side letter agreements or other arrangements with any limited partners? Do you anticipate doing so prior to or at the final closing? Are there any ‘most favored nations’ provisions? If so, please explain.
2. Are there ‘special’ limited partners or limited partners who also have investments in, or special rights from, the general partner or manager? If so, please explain.
3. Does (or will) the fund have an advisory board? If so please list the advisory board members. If none have been selected please list the advisory board members from the previous fund.
4. Please complete the following table for the five largest limited partners, for the current fund and previous fund.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| LimitedPartner | ContactName/Phone | Please list all prior funds LP committed to | Commitment amount | Commitment to this fund or explanationfor opting out ofthis or future funds |
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**IV. Investment Professionals**

1. Please provide brief biographies and educational background of the investment professionals on this strategy. List percent of ownership by the investment professional, and which products they worked on.
2. Please discuss the compensation plan of the investment professionals. How are fees and carried interest allocated among the principals of the firm and other employees? What vesting provisions are in place?
3. Are the investment professionals under employment contracts with the firm?
4. Discuss all turnover of investment professionals in the firm during the last three years.
5. Please complete the attached table regarding board memberships.

|  |  |
| --- | --- |
| Name of Principal | Current Board Memberships |
|  |  |
|  |  |

1. How many board seats will each principal be expected to hold for this fund? How does this compare to prior funds?

**V. Compliance**

1. Is your firm affiliated with a broker dealer?
2. Are you a registered investment advisor? Please attach a copy of your ADV Part I and II.
3. Please provide a brief description of any past or pending regulatory action, litigation, or other legal proceedings involving the firm or any employees and/or principals as defendants in the last 5 years.
4. Are you currently or have you been in the last 5 years out of compliance with the SEC, DOL, or any regulatory agencies? If yes, please explain thoroughly.
5. Has your firm been audited by the SEC, DOL, or any regulatory agency in the past 5 years? Please explain any key findings. Please attach a copy of the SEC Review findings and firm responses.
6. What is your firm’s Errors & Omissions (E&O) Insurance policy limit in millions?  Please attach proof of E&O Insurance coverage.
7. Do you have a dedicated compliance officer? Does this person serve other roles within the firm? If so, please describe.
8. Who is the fund’s independent auditor? How long have they been serving in this capacity? Please provide copies of the last four quarterly reports and the last three years’ audited financials.
9. Who is the firm’s legal counsel or do you use an in-house legal team? Please provide brief biographies for them, indicating how long they have been serving in this capacity.
10. Please describe your firm’s disaster recovery and business continuity plans, specifically addressing the most recent date and the numbers of times you have practice and tested your procedures in the past 5 years, and the result of those exercises. Please provide a copy of your firm’s disaster recovery and business continuity procedures.
11. What are your procedures monitoring for personal trading? How many violations of your personal trading policy have occurred in the past 12 months? Please describe the nature of each violation.

**VI. Product Investment Process**

1. Please describe the investment objective and strategy of the proposed Fund. Provide supporting documentation regarding your assumptions of the target market and the overall viability of the proposed strategy.
2. What is unique about this strategy?
3. Please discuss the current market opportunity. Please describe the current opportunity set and how they compares to the opportunity set for prior funds.
4. Please describe a “typical” transaction. Where in the capital structure do you typically invest (debt, preferred equity, common equity, warrants, etc.)?
5. Please discuss how deals are sourced. Please provide a breakdown of how deals are sourced (proprietary deals, sponsors, investment banks, etc.). Please list all sponsors or investment banks the firm has worked with on multiple closed transactions over the last three funds.
6. How does the investment committee for the fund operate? How are decisions made?
7. Is consensus required from each partner, or is a simple majority sufficient?
8. How often do the principals meet as a group? Are meetings typically held in person or telephonically? What forum do the principals use for information and idea sharing?
9. What is the policy/assumption for portfolio allocations between equity, debt, and other forms of investment?
10. Are there geographical preferences for investments? Industry preferences?
11. What is the estimated number of portfolio investments? Target dollar range for each investment?
12. What is the estimated length of time before the Fund will be fully invested?
13. Describe potential risk factors related to the strategy.
14. Who are the firm’s competitors? How do you differentiate your fund from competitive funds?
15. What are the firm’s documentation procedures? Please attach a sample of each of the following documents: due diligence checklist, deal log, a typical investment term sheet that you would use, and a summary investment memorandum.
16. What is the firm’s valuation policy and methodology? Please attach a copy of your valuation policy.
17. Is the partnership permitted to re-invest distribution proceeds? What rules govern those re-investments?
18. What is the fund’s approach to UBTI related investments? Do you have on-shore and offshore vehicles?
19. For each principal of the general partner, please provide the following information for every investment considered a part of that individual’s investment record.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name ofInvestment | $’s Investedand DateofInvestment | Individual(s) Responsible for Sourcing Deal | Individual(s) Responsible for Monitoring | Individual(s) Responsible for Exit | Total Value Realized from Investmentand Date of Realization | IRR |
|  |  |  |  |  |  |  |
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**VII. Current Offering**

1. What is the full name of the current Fund offering? What is the vintage year of the Fund? What is the target size of the Fund? What is, or when will, the first closing of the Fund be, and at what commitment level? What is the projected final close?
2. What is the fee structure of the Fund? Please list the Management Fee, Carried Interest, and Hurdle. Is a European Waterfall structure utilized?
3. Please provide details on any step provision (i.e. changes over time) in the management fee, and provide an estimate of average annual fee over the life of the Fund.
4. Please clearly state fund expenses that are included in the management fee, and any other fees or expenses the client can expect to pay.
5. What is the anticipated commitment amount (in millions) from the firm and employees?
6. What is the Partnership term, including provisions for extensions, if any?
7. What are the policies regarding allocation of expenses to the Fund vs. the General Partner, e.g. overhead, legal fees, due diligence costs, etc. Provide a dollar estimate of the expenses that will be charged to the fund.
8. What are the policies regarding allocation of fees, such as transaction fees, investment banking fees, monitoring fees, directors’ fees, etc., between the General Partner and the Fund.
9. Have any commitments been made? If so, please list.
10. Has the fund called any capital? If so, please list.
11. Is this an SBIC fund? If so, please discuss firm’s prior experience with SBIC funds.

**VIII. Miscellaneous**

1. Please complete the table below for each prior fund.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Fund Name | Vintage Year | Fund Size | % Called | % Distributed | Remaining Value | Multiple (Net of Fees) | IRR (Net of Fees) | As of Date |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |

1. Describe each of the prior investments managed by the key investment professionals on the team responsible for the current offering.
2. State the frequency of investor reporting and provide a sample.
3. Please list the firm’s auditor, the fund auditor, legal counsel, and all third party service providers (include IT, due diligence, etc.)

**IX. Attachments and Disclosure**

Please check off items included as attachments. If any **required** items are excluded, please indicate an alternate means for our review of requested items.

**Required Included?**

ADV Part 1 & 2 \_\_\_\_\_\_\_\_

SEC Review Findings Letter \_\_\_\_\_\_\_\_

Disaster Recovery and Business Continuity Plans \_\_\_\_\_\_\_\_

Code of Ethics \_\_\_\_\_\_\_\_

PPM \_\_\_\_\_\_\_\_

LPA \_\_\_\_\_\_\_\_

Prior fund Audited Financials (last two years) \_\_\_\_\_\_\_\_

Prior funds deal by deal attribution \_\_\_\_\_\_\_\_

Proof of E&O Insurance Coverage  \_\_\_\_\_\_\_\_

Valuation Policy \_\_\_\_\_\_\_\_

**Include, if Applicable Included?**

State or Local Registration for M/WBE \_\_\_\_\_\_\_\_

GIPS Verification Letter \_\_\_\_\_\_\_\_

**Chief Compliance Officer Signature**

I, chief compliance officer of , have reviewed all of the aforementioned statements and documents. To the best of our ability, we believe all statements and documents to be accurate, truthful and timely.

Signature

Print Name