

**Private Equity Fund-of-Funds 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 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?
7. Please describe the firm’s professional turnover for the last five years, citing reasons for each departure and contacts for departed partners.
8. 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).
9. What is the decision-making process internally among the principals for (i) internal matters, (ii) new partners, and (iii) partnership operations and management decisions?
10. Does the firm have a succession plan in place? If so, please describe.
11. 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?
12. Do any of the principals have any conflicts of interest with the current fund?
13. 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.
14. 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?
15. Do any of the principals have any health or personal issues that should be of concern? Please explain.
16. Please provide three references. At least one should be an LP reference and at least one should be a reference from one of the underlying managers/funds.

**III. Client Breakdown**

1. Please provide the firm’s and strategy’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.”

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **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 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 for the previous fund:

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

1. Please list the five largest LPs in the prior fund. Please list the LP name or type (e.g. foundation, public pension, etc.) Please indicate whether they will be making a commitment to the current fund, and if not, please indicate why.
2. 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? 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. 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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**IV. Investment Professionals**

1. Please provide brief biographies and educational background of the investment professionals in the firm. 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 advisory board memberships.

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

1. How many advisory board seats will each principal be expected to hold for this fund? How does this compare to prior funds?
2. Does the fund have a key man provision? Please list the key men.

**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 1, ADV Part 2A and 2B.
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. Do you have a dedicated compliance officer? Does this person serve other roles within the firm? If so, please describe.
7. 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.
8. 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.
9. Please provide contact names with addresses and phone numbers for all legal counsel and the accounting firms the sponsor has engaged over the past 5 years. Please provide a brief description of the nature of the engagement.
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.
12. Please describe the AML or FACTA disclosure requirement you will require from LPs. Please indicate what will be required once versus on an annual basis?
13. What is your firm’s policy for allocating commitments to underlying funds where capacity is constrained?

**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. How does the investment committee for the fund operate? How are decisions made? Please list all investment committee members.
4. Is consensus required from each partner, or is a simple majority sufficient?
5. 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?
6. What is the policy/assumption for portfolio allocations between equity, debt, and other forms of investment? Target dollar range for each investment? Estimated number of portfolio investments?
7. Are there geographical preferences for investments? Industry preferences?
8. What is the estimated number of portfolio investments? Target dollar range for each investment?
9. Please list GPs/Funds you have allocated to in the past that you would expect to allocate to in the current offering.
10. What is the estimated length of time before the Fund will be fully invested?
11. Describe potential risk factors related to the strategy.
12. Who are the firm’s competitors? How do you differentiate your fund from competitive funds?
13. What are the firm’s documentation procedures? Please attach a sample of your fund due diligence.
14. What is the firm’s valuation policy and methodology? Please attach a copy of the firm’s valuation policy.
15. Is the partnership permitted to re-invest proceeds? What rules govern those re-investments?
16. What is the fund’s approach to UBTI related investments?

**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 and what is the Hard Cap? What is, or when will, the first closing of the Fund be, and at what commitment level? When 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. change in fee over time), 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 are the fund formation costs that will be charged to the fund? What was to the total formation costs for the prior fund in this strategy?
6. What is the anticipated commitment amount (in millions) from the firm and employees?
7. What is the Partnership term, including provisions for extensions, if any? If there are extension please detail the approval process for extensions (advisory board approval, LP vote, etc.)
8. What are the policies regarding allocation of ongoing 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.
9. 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?
10. Will the fund use a line of credit (capital call line)? If so, please detail the size of the facility, the term of the line (90 days, 180 days), the lender, and an estimate for the cost of the line (both the borrowing rate and the commitment fee).
11. Please detail the fund structure and why this structure was chosen (list onshore and offshore vehicles, master feeder or side-by-side structure, etc.)
12. What are the tax implications for both taxable and non-taxable clients associated with this structure?
13. Are you open to side letters to address client legal concerns?
14. Do you act as an ERISA fiduciary?
15. If this is not an ERISA fund, what is your current ERISA capacity?
16. Please complete the following table for each vehicle associated with this product. Please put an (X) where applicable

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Fund/Vehicle | Onshore | Offshore | 3c1 | 3c7 | ERISA Fiduciary? | ERISA Capacity | QPAM? |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |
|   |   |   |   |   |   |   |   |

1. Have any commitments been made? If so, please list.
2. Has the fund called any capital? If so, please list.

**VIII. Security and Miscellaneous**

1. Please complete the table below for each prior fund for this strategy and provide the “as of” date for the data provided.

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

1. State the frequency of investor reporting and provide a sample.
2. Provide the PPM, LPA, a sample due diligence packet, ADV Part I and II, and the prior fund’s audited financial statements for the past 2 years. Please also include a copy of the firm’s allocation policy and valuation policy.
3. Please list all third-party service providers including auditor, legal counsel, etc.
4. Describe the firm’s security environment. Specifically cover the physical, digital security, and policy measure safeguards that you have put in place to control access to portfolio reporting systems and client account information.
5. Describe your firm’s approach to securing email and web communications.
6. How does your firm defend against cyber-attacks?
7. How does your firm secure mobile devices such as phones, tablets, and laptops?
8. Have you had your security assessed by a third party? If so, when was this last completed and by which provider?
9. Has your firm ever had a data security breach? If so, please describe the incident as well as the corrective actions.
10. Please provide three references, including contact phone number and email address. Please include, at least, one current and one former client in your references.

**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