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*Disclaimer: All interested parties should, subject to applicable laws, respect the confidentiality of information contained in reports provided in connection with investments. The ILPA Due Diligence Questionnaire (DDQ) reflects the view of the participants involved in the creation thereof as to best practices with respect to fund diligence. However, no limited partner should utilize the DDQ as a substitute for its own determination as to what information such limited partner will need or desire with respect to any particular investment. Further, no representation is made that the DDQ, when provided by general partners to their prospective investor base, will include all desirable information or will be fully inclusive of all information needed for any limited partner to effectively monitor its investments.*

# Overview

As institutional investors increase their focus on issues related to alignment of interest, governance and transparency with their private equity manager relationships, the level of detail required for their upfront fund diligence process has increased. This increase has resulted in the proliferation of lengthy, customized due diligence questionnaires by many limited partners, general partners, advisors, consultants, placement agents and other industry bodies. These customized DDQs, which have varying content and length, have created an extraordinary administrative burden on all interested parties, including LPs, GPs and placement agents. While differences may exist in the format and particular questions, the customized DDQs are often similar in core areas, but still require an outsized level of effort to complete relative to the differences.

Additionally, to ensure they are cognizant of the industry’s best practices, LPs are attentive to the types of diligence questions that their peers are asking. With few available forums dedicated to the sharing of diligence practices, some LPs may not even be aware of the level of detail being provided to their peers regarding a prospective fund.

The search for a more efficient process and to improve information asymmetry prompted ILPA to reach out to GPs, LPs, placement agents and other interested parties to craft a DDQ tool capable of recognizing these benefits for the industry. With adoption of the ILPA DDQ, the outsized resources used to create and process the customized, but often redundant, questions and responses could then be repurposed toward additional transparency, assessment and analysis of results.

**Please note that the ILPA DDQ is not intended to be a required document that all GPs must adopt. It is also not a panacea for all LPs’ diligence needs. We acknowledge that some variation may still be employed in the industry for a variety of valid reasons. The goal of this tool is to minimize any variations to questions that can be standardized across parties, while allowing for a sub-set of questions unique to a specific LP or GP.**

The ILPA DDQ covers the following topics related to fund diligence:

1. Firm: General Information
2. Fund: General Information
3. Succession Planning / Key Persons
4. Investment Strategy
5. Co-Investments
6. GP-Led Secondaries / Continuation Funds
7. Credit Facilities
8. Investment Process
9. Team
10. Alignment of Interests
11. Market Environment
12. Fund Terms
13. Firm Governance / Risk / Compliance
14. Track Record
15. Accounting / Valuation
16. Reporting
17. Legal
18. Data Security / Technology /Third-Party(s)
19. ESG
20. Diversity, Equity and Inclusion

These topics are covered in a series of connected short form (Yes/No) and long form questions that are designed to help shape the direction of a LP’s diligence process and provide a roadmap for further engagement with GPs. The ILPA DDQ also includes an Appendix, which provides a list of requested documents and data points that idally would be provided in any GP’s diligence package to supplement the questionnaire.

To further support the updated ILPA DDQ, ILPA has made the following resources available:

* [Summary of Changes](https://ilpa.org/due-diligence-questionnaire/) – overview of changes between the ILPA DDQ 2.0 and the previous version (ILPA DDQ 1.2 released in 2018)
* [User Guide](https://ilpa.org/due-diligence-questionnaire/) – replacing the FAQ found in the previous version of the DDQ, the user guide expands upon the frequently asked questions with additional guidance based on questions received during the ILPA DDQ 2.0’s public comment period during the second half of 2021. Additionally, a stand-alone user guide may also be updated as new questions arise as the industry adopts the DDQ 2.0. A Glossary has been provided within the ILPA DDQ 2.0 to provide direct guidance on terminology used within this document
* [PRI Limited Partners’ Private Equity Responsible Investment DDQ User Guide](https://www.unpri.org/private-equity-ddq) – additional guidance put together by PRI to support the completion of the ESG section of the ILPA DDQ 2.0

As the private equity industry continues to evolve, ILPA is committed to keeping the DDQ relevant by having a keen eye on emerging practices and norms. While there is not a strict timeline in place, ILPA anticipates doing a review of the DDQ on a more regular cadence, thus eliminating the need for comprehensive updates over long intervals.

If you have any on-going feedback on the DDQ or any questions, please email [DDQFeedback@ilpa.org](mailto:DDQFeedback@ilpa.org).

# Glossary

| **Terminology** | **Definition** |
| --- | --- |
| Firm and Investment Leadership (Partners and C-Level Executives) | For example, CEO, President, Managing Partners, Partners and Managing Directors with primary responsibility for overall leadership of the management company and oversight of the investment team, sometimes defined as the Executive Committee. May or may not be directly involved in sourcing, evaluating, executing, and managing deals. Typically responsible for final deal decisions, including exits. Typically participates in any carried interest earned from exited deals and/or profits of the management company. Does not include Operations Leadership (defined below). |
| Operations and Administration Leadership (Partners and C-Level Executives) | For example, CFO, COO, CAO, CCO, General Counsel, CHRO, IR Partner, Managing Directors or partners on a non-investment team. Primarily responsible for leadership of the finance, marketing, investor relations, legal, and administrative teams (and any other unit detailed below). May or may not have input on final investment decisions (typically operational improvements). Typically participates in any carried interest earned from exited deals. May or may not participate in any profits of the management company. |
| Leadership | Refers to both (1) Firm and Investment Leadership and (2) Operations and Administration Leadership. |
| Senior Investment Professionals | Investment professionals who serve in a decision-making capacity but are not part of firm leadership, e.g., may include Managing Directors, Senior Directors, Directors with a meaningful role in sourcing, recommending and leading investments and contributing to firm investment decision-making. May include dedicated portfolio company Operating Partners that work closely alongside deal professionals in managing investments. |
| Other Investment Professionals (not senior) | For example, Principals, Vice Presidents, Associates, Analysts. Primarily responsible for sourcing, evaluating, executing, managing and supporting deals. May or may not participate in carried interest earned from exited deals and/or profits of the management company. |
| Other Operations and Administrative Professionals | Operating Professionals / Entrepreneurs in Residence, Marketing / Investor Relations / Communications, Financial / Accounting, Legal / Compliance, Administrative, Other Operations / Administration Team Members. |
| Investment Professional | Refers to Investment staff across the three investment levels that work directly on the Fund: (1) Firm and Investment Leadership, (2) Senior Investment Professionals and (3) Other Investment Professionals. |
| Team Members | Refers to Firm employees across all five levels that work directly on the Fund: (1) Firm and Investment Leadership, (2) Operations and Administration Leadership, (3) Senior Investment Professionals, (4) Other Investment Professionals and (5) Other Operations and Administrative Professionals. |
| Firm Principals | As self-identified in Appendix B – B1: Team Members – Leadership and Investment Professionals (current) |
| Firm Employees | All employees at the Firm/Management Company, regardless of Fund focus, role focus, asset class/strategy or business line. |
| C-suite | CEO and any senior executives reporting directly to the CEO (e.g., CFO, COO or CAO) |
| C-suite minus one | All Firm Employees who report directly to C-suite level management |
| Senior Management at Portfolio Company(s) | Identified as C-suite and C-suite minus one at Portfolio Company(s) |

# Cover Sheet

| **Firm: General Information** | | | | | | | | | | | | | | | **Date of Completion:** | | | | | | **MM/DD/YYYY** | | |  | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Firm Name or Business Unit that is Raising Capital**  **(the “Firm”):** | | | | | | | | |  | | | | | | | | | | | | | | | |
|  | **Address:** | | | Street: | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | | City: | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | | State/Country: | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | | Postal/Zip Code: | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | | Phone Number: | | | | | |  | | | | | | | | | | | | | | | |
|  | **Regulatory Body(s) that Supervises Firm:** | | | | | | | | |  | | | | | | | | | | | | | | | |
|  | **Regulatory Body(s) Registration Number(s):** | | | | | | | | |  | | | | | | | | | | | | | | | |
|  | **Firm Contact (for requesting additional information):** | | | | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | | Name: | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | | Title: | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | | Phone Number: | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | | Email Address: | | | | | |  | | | | | | | | | | | | | | | |
|  |  | | |  | | |  | | | | |  | |  | | |  |  |  | | | |  | | |
| **Fund: General Information** | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | **Investment Advisor Entity (the “Manager”)** | | | | | |  | | | | | | | | | | | | | | | | | | |
|  | **General Partner Legal Name (the “GP”):** | | | | | |  | | | | | | | | | | | | | | | | | | |
|  | **Fund Legal Name (the “Fund”):** | | | | | |  | | | | | | | | | | | | | | | | | | |
|  | **Regulatory Body(s) that Supervises the Manager:** | | | | | |  | | | | | | | | | | | | | | | | | | |
|  | **Regulatory Body(s) Registration Number(s):** | | | | | |  | | | | | | | | | | | | | | | | | | |
|  |  | | | | | |  | |  | |  | | | | | | | | | | | | | | |
|  | **Fund Size:** | Targeted Amount: | | |  | | | | | | | |  | | | **Fund Term:** | | | | First Close Date: | |  | | |  | |
|  | (Reporting Currency) | Minimum: | | |  | | | | | | | |  | | | (Date /Years) | | | | Targeted Final Close Date: | |  | | |  | |
|  |  | Maximum/Cap: | | |  | | | | | | | |  | | |  | | | | Investment Period: | |  | | |  | |
|  |  | First Close Amount: | | |  | | | | | | | |  | | |  | | | | Follow-on Period: | |  | | |  | |
|  |  | Amount Raised to Date: | | |  | | | | | | | |  | | |  | | | | Remainder of Term: | |  | | |  | |
|  |  | Total Closings to Date: | | |  | | | | | | | |  | | |  | | | | Extension Period: | |  | | |  | |
|  |  |  | | |  | | | | | | | |  | | |  | | | |  | |  | | |  | |
|  | **Management Fees:** | Investment Period: | | |  | % of | |  | | | | |  | | | **Misc. Terms:** | | | | Reporting Currency: | |  | | |  | |
|  | (% of Basis) | Follow-on Period: | | |  | % of | |  | | | | |  | | | (Fund Only) | | | | Hurdle (%): | |  | | |  | |
|  |  | Extension Period: | | |  | % of | |  | | | | |  | | |  | | | | Carried Interest (%): | |  | | |  | |
|  |  |  | | |  |  | |  | | | | |  | | |  | | | | Carry Catch-up (%): | |  | | |  | |
|  | **Investment Focus:** | Strategic Focus: | | |  | | | | | | | |  | | |  | | | | Carry Escrow (%): | |  | | |  | |
|  | (Fund Only) | Geographic Focus: | | |  | | | | | | | |  | | |  | | | | GP Commit. (%): | |  | | |  | |
|  |  | Industry Focus: | | |  | | | | | | | |  | | |  | | | |  | |  | | |  | |
|  |  | ESG / Impact / Sustainable Strategy: | | | (Y/N) | | | | | | | |  | | |  | | | |  | |  | | |  | |
|  |  | |  | |  | | | | | | | |  | | |  | | | |  | |  | | |  | |

# Questionnaire

| **1.0** | **Firm: General Information** | **Yes** | **No** |
| --- | --- | --- | --- |
| 1.1 | Provide a brief overview of the Firm, including information on the founding, subsequent history and information on any predecessor firm and/or parent firm.  *Answer here* | | |
| 1.2 | Describe any plans to change or expand the Firm (e.g., entering/exiting business lines or office locations) over the next five years.  *Answer here* | | |
| 1.3 | Provide an overview (including chart) of the ownership structure of the Firm, its relevant investment advisors and any parent organization ([as referenced in Appendix A](#184mhaj)). Include details on the timing and rationale for each significant ownership change. State any limitations on the ability of the Firm Principals (as defined in the Glossary) to assign their interests in the General Partner. Include percentage ownership, ownership vesting schedules and any changes in ownership over the last five years.  *Answer here* | | |
| 1.4 | Provide an organizational chart showing the management/organizational structure of the Firm ([as referenced in Appendix A](#279ka65)). Include the structure and the different departments within the Firm (e.g., Operations, IT, HR, Legal, Accounting or Finance). Only provide names of C-suite and department heads (e.g., Head of ESG or Head of Operations). Names for all other Firm employees (as defined in the Glossary) do not need to be provided as part of the organizational chart.  *Answer here* | | |
| 1.5 | Provide an overview of the C-suite at the Firm.  *Answer in table below* | | |

| **Role** | **Questions** | **Responses** |
| --- | --- | --- |
| Chief Executive Officer (CEO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief Investment Officer (CIO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief Financial Officer (CFO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
|  |  |  |
|  |  |  |
|  |  |  |
| **Role** | **Questions** | **Responses** |
| Chief Compliance Officer (CCO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief Operating Officer (COO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief Administrative Officer (CAO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief Legal Officer (CLO) or General Counsel | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief Risk Officer (CRO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief Technology Officer (CTO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief Diversity Officer (CDO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Chief People Officer (CPO) | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |
| Other C-Suite? | Name |  |
| Tenure at Firm |  |
| Credentials |  |
| Roles/responsibilities |  |
| Reporting Lines |  |
| Does the individual occupy another function within the Firm? | If Yes, provide context on (1) the function, (2) time spent on the function and (3) how conflicts of interest are addressed |

| 1.6 | Does the Firm have any existing business lines that are unrelated to the Fund’s investment strategy? | ☐ | ☐ |
| --- | --- | --- | --- |
| 1.7 | Provide a list of all investment vehicles previously managed by the Firm over the last five years, including predecessors to the Fund, vehicles with different investment strategies than that of the Fund and separate accounts managed by the Firm.  *Answer here* | | |
| 1.8 | Has the Firm entered any joint ventures with or sold a minority interest in the Firm to another manager? | ☐ | ☐ |
|  | * + 1. Describe any situation where the Firm has entered any joint ventures with or sold a minority interest in the Firm to another manager, including the structure, governance and economics of the relationship.   *Answer here* | | |
| 1.9 | Describe the Firm’s capital raising plans over the next five years, including new funds, strategies or business lines. Provide context into any plans related to taking the Firm public or raising permanent capital.  *Answer here* | | |
| 1.10 | Provide information regarding indebtedness of any kind, including pledges of interest in the Firm/Management Company or any of its affiliates. If applicable, provide the schedule of such borrowings and provide details regarding the key terms and covenants contained in such agreements. Are there any personal guarantees involved? If so, by whom?  *Answer here* | | |
| 1.11 | Has the Firm or any affiliated entity ever failed to make payments under any secured or unsecured indebtedness? | ☐ | ☐ |
|  | * + 1. Describe any situation where the Firm or any of its affiliated entities has failed to make payments under any secured or unsecured indebtedness.   *Answer here* | | |
| 1.12 | Have any current members of Leadership (as defined in the Glossary) or Senior Investment Professionals (as defined in the Glossary) at the Firm ever failed to make payments under any secured or unsecured indebtedness? | ☐ | ☐ |
|  | * + 1. Describe any situation where any current members of Leadership or Senior Investment Professionals at the Firm have ever failed to make payments under any secured or unsecured indebtedness.   *Answer here* | | |
| 1.13 | Have any former members of Leadership or Senior Investment Professionals at the Firm (while employed by the Firm) failed to make payments under any secured or unsecured indebtedness during the last five years? | ☐ | ☐ |
|  | * + 1. Describe any situation where any former members of Leadership or Senior Investment Professionals at the Firm (while employed by the Firm) failed to make payments under any secured or unsecured indebtedness during the last five years.   *Answer here* | | |
| 1.14 | Has the Firm or any affiliated entity ever filed for bankruptcy? | ☐ | ☐ |
|  | * + 1. Describe any situation where the Firm or any of its affiliated entities has filed for bankruptcy.   *Answer here* | | |
| 1.15 | Have any current members of Leadership or Senior Investment Professionals at the Firm ever filed for bankruptcy? | ☐ | ☐ |
|  | 1.15.1 Describe any situation where current members of Leadership or Senior Investment Professionals at the Firm ever filed for bankruptcy.  *Answer here* | | |
| 1.16 | Have any former members of Leadership or Senior Investment Professionals at the Firm (while employed by the Firm) filed for bankruptcy during the last five years? | ☐ | ☐ |
|  | * + 1. Describe any situation where former members of Leadership or Senior Investment Professionals at the Firm (while employed by the Firm) filed for bankruptcy during the last five years.   *Answer here* | | |
| 1.17 | Will the Firm or any members of Leadership or Senior Investment Professionals conduct outside business activities, advisory or investment management activities during the investment period of the Fund? | ☐ | ☐ |
|  | 1.17.1 Describe any outside business activities, advisory or investment management activities of the Firm or any members of Leadership or Senior Investment Professionals.  *Answer here* | | |
| 1.18 | Will the Firm or any members of Leadership or Senior Investment Professionals conduct outside activities (non-profit, academic, etc.) that are expected to take-up a significant (approx. ≥ 20%) amount of time during the investment period of the Fund? | ☐ | ☐ |
|  | * + 1. Describe any additional outside activities (non-profit, academic, etc.) of the Firm or any members of Leadership or Senior Investment Professionals that are expected to take-up a significant (approx. ≥ 20%) amount of time during the investment period of the Fund. Include the associated time commitments for each activity.   *Answer here* | | |
| 1.19 | Is the Firm a publicly held company? | ☐ | ☐ |
| 1.20 | Provide information regarding the Firm/Management Company’s liquidity and capitalization, including that of the Parent Company (if applicable), as well as any external shareholders.  *Answer here* | | |
| 1.21 | Provide the Firm’s annualized pro-forma budget for the period covering the life of the Fund ([as referenced in Appendix A](#meukdy)).  *Answer here* | | |
| 1.22 | Has the Firm or any of its Funds or portfolio companies accessed any government assistance programs in the last five years? | ☐ | ☐ |
|  | * + 1. Describe any government assistance programs accessed by the Firm or any of its Funds or portfolio companies in the last five years.   *Answer here* | | |
| 1.23 | Identify any government assistance programs the Firm or any of its Funds or portfolio companies intends to receive in the future.  *Answer here* | | |
| 1.24 | Does the Firm have dedicated human resources staff? | ☐ | ☐ |
|  | * + 1. Describe the role HR staff plays in the Firm. Identify the leadership, staffing levels and reporting structure of the HR organization, as well as responsibilities carried out by HR, including information on the role HR staff plays in hiring, background checks, employee engagement/satisfaction surveys and training. Provide details on any HR technology tools (e.g., software, applications, information systems or portals) (as referenced in Appendix D) used. Provide context into any additional function HR staff plays within the Firm and how conflicts of interest are addressed.   *Answer here* | | |
| 1.25 | Does the Firm have defined values? | ☐ | ☐ |
|  | 1.25.1 Provide the Firm’s defined values. Identify how the values impact the Firm’s prioritization and decision making. Provide context into where the values are a component of the Firm’s internal activities (e.g., integrated into processes such as recruiting, performance appraisal process or compensation review).  *Answer here* | | |
| 1.26 | Does the Firm have defined organizational goals? | ☐ | ☐ |
|  | 1.26.1 Provide the Firm’s organizational goals. Identify how the goals impact the Firm’s prioritization and decision making. Provide context into where the organizational goals are a component of the Firm’s internal activities (e.g., integrated into processes such as recruiting, performance appraisal or compensation review).  *Answer here* | | |
| 1.27 | Are you willing to discuss during in-person conversations questions about negative publicity identifiable through publicly available information? | ☐ | ☐ |
| 1.28 | Describe the internal process for treatment of negative publicity and identify any policy towards negative publicity, including if it is covered under Governance or Incident Management within the Firm’s ESG policy.  *Answer here* | | |
|  |  | | |