



KUSHIM

THE INSTITUTIONAL LIMITED PARTNERS **DUE DILIGENCE QUESTIONNAIRE**

Overview

This document is intended to serve as one of the guiding points to conduct due diligence for corporates who are planning to become limited partners of venture capital or private equity Funds. Additionally, this document is also beneficial for aspiring general partners who are about to commence the process of Fundraising.

The Institutional Limited Partner Due Diligence Questionnaire (ILP-DDQ) in this document should not be considered exhaustive or a mandatory document that all GPs have to adopt. We have compiled data from a range of sources such as the Institutional Limited Partners Association (ILPA), Invest Europe, academic research articles and books written by industry professionals.

Kushim is not a legal Firm and the information provided here does not substitute a legal attorney's advice. The due diligence questions can vary from country to country as some countries might have different provisions. Hence, the questionnaire provided in this document should not be considered completely exhaustive.

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Introduction

Fund due diligence by LPs is all about answering the question:

Is this team capable of generating strong returns?

The top managers have a demonstrated track record of generating strong returns over many Fund cycles. Some LPs prefer to work with established managers while there are some who prefer working with emerging managers. Institutional investors consider Fund manager's expertise and the investment strategy as the primary criteria for due diligence.

The secondary criteria include general Fund information, investment terms and market conditions. The figure below shows the scoring used by LPs when they are evaluating Fund management team and Fund strategy.

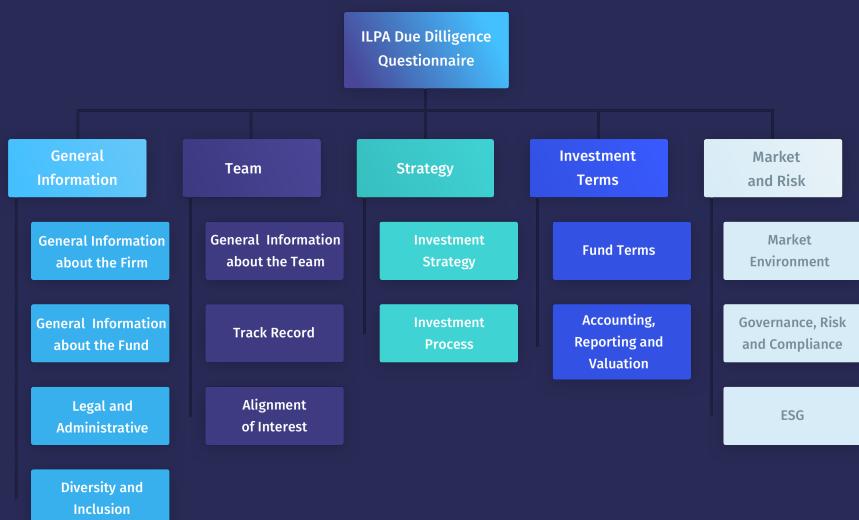
Qualitative scoring criteria for fund management team and fund strategy



Source: Beyond the J Curve- Thomas Meyer & Pierre-Yves Mathonet

This Fund due diligence questionnaire is divided into five sections. Each sub sections consist of a set of general questions and in-depth comprehensive questions:

- 1) General Information:** This section consists of information about the VC Firm, general information about the Fund such as use of placement agents and co-investments. Moreover, this section also covers legal and administrative requirements and the Firm's diversity and inclusion principles.
- 2) Team:** This section consists of general information about the team including their track record and assessment of the team's interest.
- 3) Investment Strategy:** Questions related to investment strategy and process are present in this section.
- 4) Accounting and Fund Terms:** This section consists of questions pertaining to accounting, valuation and Fund terms.
- 5) Market and Risk:** The last section contains questions related to market dynamics and environmental, social and governance (ESG) questions.



List of Abbreviations

LP- Limited Partner

LPA- Limited Partner Agreement

GP- General Partner

ILPA- Institutional of Limited Partners Association

GIPS- Global Investment Professional Standards

CFA- Chartered Financial Analyst (Institute)

OECD- Organization for Economic Co-operation and Development

UNPRI- United Nations Principles for Responsible Investing

IPEV- International Private Equity and Venture Capital Valuation

ESG- Environmental Social and Governance

1. General Firm Information



1.1 General information about the Firm

Basic questions (Yes/No)

- 1.** Is the venture capital Firm a publicly-held company?
- 2.** Does the Firm have any existing businesses that are not related to Funds investment strategy?
- 3.** Has the Firm ever filed for bankruptcy?
- 4.** Has anyone in the Firm such as current or former team members ever filed for bankruptcy?
- 5.** Has the Firm or any of its affiliated entities ever failed to make any secured or unsecured payments?
- 6.** Will the Firm or any of its senior team members conduct outside business or make external investments during the life cycle of the Fund?
- 7.** Will the Firm or any of its senior team members take part in external activities such as non-profit or academic activities that will take more than 20% of their time during the life cycle of the Fund?

Comprehensive questions

1. Provide an organizational chart depicting the ownership structure of the Firm including investment advisors and any parent organization.

Information about change of ownership should be provided along with percentage of ownership, ownership vesting schedules and any change in the ownership in the last 10 years if applicable.

2. Provide an organizational chart showing the organizational structure of the Firm?

Include back office personnel in this chart and also provide information about the Firm's succession plans.

3. Provide a brief history of the Firm along with information of its formation.

Provide information about the parent or the predecessor Firm along with description of expansion (such as entering or exiting new business lines or opening/closing office locations) over a period of next five years.

4. Provide a description of all external activities such as non-profit or academic, the GPs and Principals will be involved in that will take more than 20% of their time.

Provide a description of each activity and time commitment for each activity.

5. Describe the situations (if existed) where the Firm or any of its team members, parent company or affiliated entities filed for bankruptcy or failed to make any debt payments.

6. Provide a brief description of the Firm's culture.

7. Provide information about any activity the Firm is engaged in the present or in the past that could bring or has brought negative publicity to the Firm.

Also provide an explanation of the steps the Firm took to deter the negative publicity in the past.

8. Provide a brief overview of the Firm's liquidity, pro-forma budget and capitalization.

Include any debt service requirements and personal guarantees involved. Mention the personal guarantees and the people. For the budget, provide an annualized pro-forma budget covering the life of the Fund.

9. Provide a description of the Firm's Fundraising plans over the horizon of the next five years.

10. Provide a brief description of all investment vehicles managed by the Firm in the past.

Provide a list of all previously managed investment vehicles, vehicles with different investment strategy and separate accounts managed by the Firm. Also provide the fee structure of each vehicles.

11. Provide information about all advisory and other business activities performed by the Firm.

Include details about any joint venture the Firm entered into with another manager and describe the exact economics and governance of such relationship.

1.2 General Fund Information

Basic questions (Yes/No)

1. Will non-limited partners be allowed to invest or hold an ownership stake in the Fund's investments?

2. Will the Fund make co-investments?

3. Will the Fund have placement agents during the process of Fundraising?

4. Will unregistered placement agents be used or prohibited during Fundraising phase?

Note. Unregistered placement agents are those who are:

a) NOT affiliated with a FINRA member broker dealer

b) NOT registered as a lobbyist in the State of California

c) NOT registered as a municipal advisor with the MSRB or SEC

5. Can the Fund hold leverage on its balance sheet?

6. Will the Fund have an annual investor meeting throughout the life of the Fund?

7. Will the Fund have a video session with every LP during its Advisory Board meeting?

Comprehensive questions

1. Provide a list of all LPs of previous Funds that will not participate in the current Fund along with the reasons for their non-participation.

Also list all secondary sales of LP interests in the previous two Funds, if applicable.



- 2.** Provide a complete chart of legal as well as tax structure of the Fund.

Provide a tax structuring memo prepared by an external advisor describing the tax structure of the Fund along with its distinctive features.

- 3.** Provide the dates of the Fund's investments. If the Fund is a new, then state the time when the Fund will start investing and the time when the Fund will start charging investment fees.

- 4.** Provide the complete Fundraising timeline with actual and anticipated closing dates stating the total commitments received to date.

Include the names, contract details and amount committed by each investor while differentiating between hard and soft commitments. Moreover, describe the provisions pertaining to admission of additional investors.

- 5.** Provide details about the Fund's borrowing capability along with (if applicable) any limitations.

- 6.** Provide complete details regarding the budget of the Fund for the investment period including all expenses and costs.

- 7.** Describe how the Firm will use placement agents in the Fundraising phase.

- 8.** Provide a description of the Fund's policy for co-investments with other Funds, other affiliates and/or LPs.

Include details of How the co-investment opportunities will be allocated. If available, provide examples of past co-investments.

- 9.** Provide a description of the Fund's LP advisory board along with the list containing contact details of any LPs that have already agreed to act as participate in the board.

Also provide details about the timing and format of the LP advisory board meetings during the life of the Fund.



1.3 Legal and Administrative

Basic questions (Yes/No)

- 1.** Does the Firm perform assessment of its internal controls on a periodic basis?

- 2.** Does the Firm use secured software in compliance with the data policies for its functions such as dealflow, portfolio management or for administrative tasks?

- 3.** Has there been any criminal investigation against any former, current employee or any affiliates of the Firm?

- 4.** Has there been any investigation concerning any current or former employee with regards to sexual misconduct or violation of ethics?

- 5.** Has any regulatory body investigated any of the current, former or affiliates of the Firm?

Comprehensive questions

- 1.** Provide a complete description of any past investigations by any of the industry regulatory body of the Firm, on its affiliated entities and/or its current or former team members.



2. Provide complete account of any past criminal or administrative proceedings or investigations against the Firm, its affiliated entities and/or its current and former Team Members.

Also provide disclosure regarding any pending or ongoing litigation/investigation against the Firm, its affiliated entities and/or its current or former employees. Furthermore, provide account of any accusations and or convictions related to misrepresentation or fraud against any of the Firm's current or former employees.

3. Outline all procedures related to movement of capital such as transfer of cash, capital calls, distribution of carried interest etc.

4. Outline complete description of the activities of the Firm's supportive functions such as that of human resources, compliance, legal and administration.

5. Describe the details about the insurance coverage maintained by the Firm.

Provide details of any claims made in the past five years. Include all types of insurance maintained by the Firm.

6. Disclose a complete list of all software used by the Firm for its various functions.

7. Provide complete details about the third parties and the kind of services they are providing to the Firm.

Provide the list of law Firms, custodians, Fund administrators, accountants, ambassadors, consultants, investment bankers and brokers. Furthermore, outline the counterparty risk management policies of the Firm with regards to the third-party arrangements.

8. List and describe any software that the Firm uses for business functions like portfolio management, trade order management, administration and risk?

1.4 Diversity and Inclusion

Basic questions (Yes/No)

- 1.** Has the Firm defined and adopted a code of conduct that covers discrimination, harassment and or violence at workplace?
 - a) If the Firm has no code of conduct, will the Firm develop one within a year?

- 2.** If the Firm is going to develop a code of conduct within a year, will it require a similar document from its portfolio companies within a year?
 - a) If the Firm has a code of conduct will it require one from its portfolio companies?

- 3.** Has the Firm already made formal Diversity and Inclusion policy or initiative?
 - a) If the Firm has no diversity inclusion policy or initiative, is it going to prepare one within a year?

- 4.** Does the Firm have a family leave policy?
 - a) If the Firm has no family leave policy, will it make one in a year?
 - b) Does the Firm track the genders taking family leave?

- 5.** Does the Firm have a training or mentorship program for women and/or minorities?

- 6.** Has there been any claim pertaining to general or sexual harassment, discrimination or misconduct against any former/current employee within the last five years?

- 7.** Does the Firm participate with other organizations to promote retention of minorities and/or women in Venture Capital?

- 8.** Are there procedures set forth by the Firm for reporting and investigation of discrimination or harassment?



Comprehensive questions

1. Provide brief details about the current policies of the Firm related to code of conduct, diversity and inclusion policy, family leave policy.

Also provide details about changes in the above-mentioned policies in the last three years along with the provisions of change in the next year.

2. Describe the process the Firm uses to hire employees for investment as well as operations team.

Also provide details about the retention strategies along with the training and development plans for the employees. Furthermore, provide details about the mentorship programs, if existing.

3. Provide details about the percentage of female employees and minorities that departed in the previous year.

4. Provide details about the percentage of female employees and minorities who were promoted in the previous year.

5. In the event that claims related to sexual harassment were made concerning former or current employees of the Firm in the last five years. Provide a brief account of the proceedings of such events and how the Firm handled them stating the outcome and the disciplinary actions that were taken.

Note: Avoid naming the people that were involved in such cases.

6. Provide details of representation of female and minority board members in the investments made by the Firm in the past five years.

State the average percentage of minorities and female board members per quarter and should be up to date till the recent quarter. Omit investments where the Firm had a minority stake.

7. If any claims of sexual or general harassment, misconduct, or discrimination have been made against any of the current and/or former Firm employees (while employed by the Firm) within the last 5 years, please provide details for each claim, including the charges, investigative process, and outcome, including disciplinary action. Note: Individual names should not be provided and are not being solicited in the questionnaire.

2. Team



2.1 General information about Team

Basic questions (Yes/No)

- 1.** In the past has there been a “Key-Person” event?
- 2.** In the past five years has there been an event where persons such as partners or director level employees have departed?
- 3.** Does the Firm have any information about significant senior management departure that is expected to occur during the life of the Fund?
- 4.** Are there any known conditions such as health, financial, litigation-related or personal pertaining to of any of the Firm's Principals that might influence their ability to execute their duties to the Fund or Firm?

Comprehensive questions

- 1.** Detail the recruitment plans and the process of the Firm including the details of the extent of background checks done.

Provide information about how the references will be obtained.

- 2.** Provide an overview of the Firm's training and retention policies.

If the Firm had previous, then provide a brief overview of how the training and retention strategies were executed including the impact along with details of any promotions that took place in the past year.



- 3.** Provide a brief description of the Firm's Team Members, including the shared work history (if existing) of the Firm's Principals.

Also, provide a description of each job title, detailing the responsibilities held by junior, mid-level and senior staff.

- 4.** Provide a brief description of how the team communicate internally? Outline the complete process of communication between the Firm's various offices (if existing).

Also provide information on how often do the different offices meet in person and how often do the different offices meet via electronic means.

- 5.** If the Firm had "key person events", describe the steps taken by the Firm to deter the situation and the subsequent impact on any Firm policies.

2.2 Track Record

Basic questions (Yes/No)

1. In the past has there been an event where the Firm's portfolio companies or any other property failed to make a payment in regard to any secured or unsecured debt instrument?

2. In the past did any of the Firm's portfolio company file for bankruptcy?

3. Did the Firm exclude any of its portfolio investments in its disclosure of past investments?

4. During the Firm's ownership period, did any of the Firm's portfolio company ever receive a qualified audit opinion?



Comprehensive questions

1. Provide brief details about the properties or portfolio companies that filed for bankruptcy?

Also provide details of the portfolio companies or properties that failed to make debt payments.

2. Describe briefly the circumstances and the result of qualified audit opinions received (if any) by the Firm's portfolio companies.

3. Provide examples of active/exited investments with an investment multiple (TVPI) below 1.0x. Discuss what went wrong, action taken, lessons learned and how (and when) outside experts were brought in.

4. If the Firm had previous Funds, then provide a brief description of all public as well as private market benchmarks used to measure the performance of previous Funds and the returns received by the LPs.

Provide explanation of consistency or dispersion in LP returns.

5. If the Firm excluded any of its past investments in the disclosure then provide a rationale or basis for excluding the investments.

6. For all the past portfolio companies that filed for IPO, provide details about offer prices along with a graph showing the price from the period of listing and indicate when the Firm sold or distributed its shares.

Also indicate whether any prior Fund managed by the Firm also sold its interests in that particular IPO.

2.3 Alignment of Interest

Basic questions (Yes/No)

- 1.** Does the Firm provide a possibility where the Firm's principals or affiliates can elect to not invest in the Fund?

- 2.** Were there any carry clawback situations in any of the Firm's prior Funds?

- 3.** Does the Firm allow any leveraged or loaned commitments from GPs, Principals?

- 4.** Will the Firm allow any commitments from GPs or Principals to be financed with deferred management fees?

- 5.** Will the Firm allow any commitments from the GPs and/or any of its Principals be financed with assets from another investment managed by the Firm?

Comprehensive questions

- 1.** Provide a description of how the carried interest is distributed to the participating parties along with the provisions for distributions of undistributed carried interest to former members.

- 2.** Provide a description of how the GPs contribution is allocated among the team.
Also provide details of how the GPs contribution will be financed.



3. Describe the complete compensation structure of all team members.

Provide a description of how the compensation structure differed from that of previous Funds. Include details about salary, bonus, performance incentives, carried interest as well as distribution of carried interest among stakeholders outside the Firm, the Fund.

4. Provide a description of how the affiliates or Principals will make investments in the Fund outside the purview of GPs commitment.

3. Strategy



3.1 Investment Strategy

Basic questions (Yes/No)

1. Will the Fund take part in hostile transactions?
2. Will the Fund have a materially different investment strategy from its previous Funds?
3. Does the Fund aim to take part in investments pertaining to public securities or private investments in public equities?

Comprehensive questions

1. Provide details about the Fund's target investment size along with any significant change compared to target investment size of previous Funds.

Also address the policies regarding co-investment with LPs and non-LPs.

2. Provide a comprehensive summary of the Fund's investment strategy and the types of transactions the Fund will engage in.

Include details about the perceived transaction size, pace of investment, holding periods, geographic focus, competitive advantage, in-depth diversification strategy, industry or sector focus, investment stage and any other relevant details.

3. Describe the expected investment structure of the Fund.

Detail the leverage structure in %age along with the typical equity structure in %age for a typical investment. Include an analysis of situations where leverage is not applied outlining data with comparisons of prior Funds. Provide some 3-5 examples.



- 4.** Provide details about how the Firm's investment strategy has evolved including details about the strategies that cannot be applied to the Fund.

Include details about future change in the Fund's strategy with examples which support how the investment strategy has evolved over the years. Mention if any strategic platforms were added or will be added in the future.

- 5.** Provide examples (if any) of investments that violated the debt covenants during the course of the Firm's investment.

Provide in-debt account of the situations where the breach took place along with the steps taken to remedy the situation and key learnings for the Firm.

- 6.** Provide comprehensive details about the factors the Firm considered to reject an investment or factors that would end a potential deal.

- 7.** Provide brief details about the risks the Firm considers such as political, economics, financial and the steps the Firm takes to mitigate all the risk.

- 8.** Describe the Firm's preference for control in its investments.

Specify whether the Firm will prefer to take a minority, majority, control or absolute preference in its investments. Provide an account of all control positions taken by the Firm in the past investments along with the control rights the Firm seeks to take historically and in the future.

- 9.** Provide a list of all multiples and metrics the Firm is going to use to monitor the investments.

- 10.** Provide an account of how the Firm is going to develop relationships with the management team of portfolio companies.

Also provide examples of how the Firm uses incentive strategies to nurture the relationship with the portfolio company's management team.

- 11.** Outline the methods the Firm uses to create value for its portfolio companies.

Provide an analysis of how the Firm's method of creating value affects its deal sourcing capabilities. Also include any case studies showing how Firm's value creation strategies worked for its past portfolio companies.

3.2 Investment Process

Basic questions (Yes/No)

1. Does the Firm have an operations team?

2. Will the Firm invest in foreign currency?

3. If the Firm will invest in foreign currency or has a Fund in foreign currency, has the Firm defined foreign currency exposure management system in place?

4. Does the Firm have a dedicated debt management team?

5. Does the Firm have any marketable securities trading operation team?



Comprehensive questions

1. Provide a description of the Firm's screening and due diligence processes.

Include details about how each process is staffed, conducted and documented. The duration of the due diligence process. Define whether the deal team will be leading the investment till exit or other people will be assigned in the post-acquisition phase.

2. Provide any due diligence checklist or internal reports, investment committee documents and financial models.

3. Provide a description of the Firm's deal sourcing process and the process used to identify attractive investment opportunities.

Include details of how the sourcing process staffed, conducted and documented. Outline the criteria used to assess the attractiveness of an investment. Moreover, place emphasis on how sustainable is the Firm's proprietary network of contacts which is used to identify opportunities.

4. Provide details about any organisations or third-parties the Firm will use to source deals.
Describe the criteria used by the Firm to determine if a third party is to be used or not to be used. Include details of all functions performed by third parties in the sourcing, screening and due diligence processes.

5. Describe the role of the Firm's investment committee.

Include details about the internal decision-making, approval and composition of the investment committee.

- 6.** Provide details about risk management with regards to fraud identification for companies considered for investment and also about handling such situations post-exit.

Mention the risk management steps taken by the Firm to protect against risks of corruption and fraud where the Fund is unable to get legal ownership of any assets (including real assets) the Fund proposed to acquire.

- 7.** Mention example from the past where the Fund encountered corruption or fraud and how the Fund took steps to remedy the situation.

Include details of how the Firm plans to protect its investments.

- 8.** Provide details of the investment monitoring phase including the details that have to be reported by the portfolio companies to the Fund on a regular basis.

Include details about the schedule of contact meetings with the management of the portfolio companies and the schedule of board meetings of the portfolio company.

- 9.** Describe how the Firm will evaluate evaluating follow-on investments, including a description of the Fund's provision for follow on reserves and capital recycling.

- 10.** Provide the number of active portfolio companies is each investment professional responsible for.

Also include details of the number of deals each investment professional is responsible for.

Moreover, outline the process of allocating the number and state how the number has evolved over the Firm's history and the process the Firm uses to handle the allocation during peak activity periods.

- 11.** Discuss the Firm's strategy, plan and criteria for exiting investments.

Include a thorough analysis of past exits with examples that illustrate the Firm's decision-making for choosing the type of exits. Also provide the Firm's policy on IPO and whether there are any dedicated groups that monitor the public market to predict an IPO.

12. Describe any hedging policy used by the Firm.

Provide details, if any, of change in hedging policy of the Firm across its various Funds while providing a basis for the changes.

13. Provide a description of the Firm's process to verify and monitor the supply chain of portfolio companies. Mention whether the portfolio companies are part of any trade organisations.

14. Provide examples of leveraging the management and/or capabilities of one investment to help another investment.

4. Investment Terms



4.1 Fund Terms

Basic questions (Yes/No)

1. Has the Firm already obtained any letters in writing or verbally from other investors?
2. Will the Firm offer a copy of the side letters or agreements it has received from other investors to all LPs when requested?
3. Do the LPs have the option of opting out of specific investments?
4. Has the Firm publicly endorsed the latest version of the ILPA principles?
5. Will the Firm offer a choice of compensation to the LPs?
6. Will the Fund prohibit in-specie distributions?

Comprehensive questions

1. Provide a complete detail of the compensation agreement along with the basis of charging carried interest and the calculation of management fees.

Include details about the clawback provisions and the Fund's policy of holding a part of the carried interest in escrow. List all formulas used to determine the management fee. State the milestones that must be met for the GPs to take additional carry. Moreover, provide the most recent Fund's waterfall distribution stating any variations (if existing)

2. Describe the Fund's policy on allowing Limited Partners to opt-out of an investment or situations where one LP can opt out of investment while the other LPs invest.

Detail the circumstances of opt-out along with examples, if available, from the past of such opt out situations.

3. If the Firm is not following the ILPA Principles then list the deviations along with such deviations in the previous Fund.

4. Provide the description of standards of indemnification applicable to GP and other related parties along with the Fund's provision pertaining to transferability of partnership interests.

5. Provide details about the Fund's policy regarding in-specie distribution along with the history of such distributions.

6. Give an account of the allocation of different types of fees such as monitoring fees, investment banking fees, transaction fees, director's fees between the Fund and the GPs.

7. Provide details about the Fund's policies on the fee of finders and placement agent along with the details of the person who is accountable for the payment of such fees.

4.2 Accounting, Valuation and Reporting

Basic questions (Yes/No)

- 1.** Does the Firm follow IPEV Valuation?
- 2.** Will the Firm have a provision for LPs to approve valuations?
- 3.** Will the Firm have a third party to value the Fund?
- 4.** Will the Firm follow the same valuation policies as it did for prior Funds?
- 5.** The audit Firm the Firm has hired to value its Fund is unaffiliated with its current or former team members?
- 6.** Does the Fund's audit Firm only provide the Fund and Firm with audit services?
- 7.** Were the carry payments of prior Funds been audited to ensure that the Firm followed the terms listed in the LP agreement.
- 8.** Will the Firm allow the carry payments and allocation associated with the Fund to be audited as part of an annual audit of the GPs?
- 9.** Will the Fund follow the standard reporting schedule prescribed by the ILPA?
- 10.** Will the Fund follow the ILPA best practices for Fund administration?
- 11.** Will the LPs receive a complete reporting template for capital call, distribution as prescribed by the ILPA on a regular basis?
- 12.** Will the Firm's marketing materials be in compliance with the latest version of GIPS?



Comprehensive questions

1. Provide a complete overview of the Fund's internal accounting policies detailing the accounting principles, audit function.

State what kind of internal controls are present for auditing and how internal auditing is performed. Moreover, list any weakness uncovered via the major audit controls and how the Firm plans to resolve the issues.

2. Describe any major changes in the Firm's Valuation Policy in the last five years.

List any deviation from the IPEV valuation Guidelines and the role of LPs in the valuation process.

3. Describe any major deviations in the Fund's standard reporting package in contrast to the best reporting practices prescribed by the ILPA.

4. Describe any deviations between the investment performance methodology employed by the Firm in its reporting package or marketing material from GIPS.

5. Market and Risk



5.1 Market Environment

Comprehensive questions

1. Describe the different or singular markets the Fund will target?

Provide an overview of the current market opportunities along with a justification of the chosen market/s attractiveness during the Fund's investment horizon.

2. If the Firm had prior Funds, then provide a description of how the current market differs or compares to prior Funds.

3. Provide a list of the Fund's direct competitors.

Also provide details of competitors of every singular investment the Firm made in its previous Funds.

4. If the Firm had previous Funds then provide a description of how the Fund's dealflow compares to or differs from previous Funds.

5.2 Governance, Risk and Compliance

Basic questions (Yes/No)

- 1.** Will/Did the Firm obtain environmental impact studies for each of its portfolio company and property investments?

- 2.** Is the Firm a registered broker-dealer or investment advisor?

- 3.** Did the Firm adopt CFA Institute's recent Code of Ethics and Standards of Professional Conduct or any equivalent?

- 4.** Does the Firm have a written policy on the handling and safeguarding any non-public material information?

Comprehensive questions

- 1.** Describe how the Firm's policies such as Code of Ethics or compliance manuals are enforced, supervised and monitored?

- 2.** Provide a description of the role of Firm's internal advisory board/s.

Provide a description of any unresolved matters addressing the advisory board/s.

Also provide a description of any advisory/governing body that can impact the investment or management activity of the Firm.

- 3.** Describe how the investment opportunities will be allocated between active Funds?

Provide a description of separate accounts or Funds that will have the potential for allocation consideration?



- 4.** Describe the Firm's policy regarding personal investments made by employees or affiliates indeals reviewed by the Firm (accepted and rejected).

Also provide a list of all such investments, if existing.

- 5.** Describe how the Firm will communicate the provisions regarding the handling of material non-public information to its employees.

- 6.** Provide a description of all conflicts of interests.

Provide a description of all conflicts of interest events (current, past and potential ones) including how they were managed, identified, disclosed and resolved. Also include details of any committees made to identify or resolve such situations.

- 7.** Provide a description of the kind of investments for which the Firm obtained Environmental Impact Studies.

Also provide a description of how these studies favourably or adversely impacted the Firm's decision.

- 8.** Provide a brief description of the Firm's risk management.

Include details of all types of risks the Firm is monitoring and how they are measured along with the employees assigned to monitor the mentioned risk.

- 9.** Briefly describe the compliance policies of the Firm.

Provide details about procedures and internal controls pertaining to AML.

- 10.** Provide a description of all regulatory bodies that are/will have an oversight on the Firm and its affiliated entities.

Include details of the investment advisory, broker-dealer registrations along with Firm's compliance policies for these regulatory bodies.

5.3 ESG (Environmental, Social and Governance)

Basic questions (Yes/No)

- 1.** Does the Firm have any ESG policy or an equivalent Corporate Social Responsibility/Socially Responsible Investing policy?
- 2.** Has the Firm signed the United Nations Principles for Responsible Investing?
- 3.** Is the Firm or any of its affiliated entities part of the OECD?
- 4.** Does the Firm encourage its portfolio companies to adopt any external standard codes?
- 5.** Does the Firm make any formal commitments pertaining to integration of ESG policies in its Fund formation contracts or LPA or letters requested by investors?
- 6.** Is the Firm and/or any of its affiliated entities organized in a country that is a member of the Organization for Economic Co-operation and Development (OECD)?
- 7.** Does the Firm plan to develop its approach towards management of ESG factors?
- 8.** Does the Firm commit to any international standards, industry or any association guidelines, reporting frameworks, or initiatives that promote responsible investment practices?

Comprehensive questions

1. Provide brief details about any policy that describes the Firm's approach to identifying and managing ESG factors within the investment and portfolio management processes?

If there is no such policy then indicate whether the Firm would consider adopting a responsible investment policy. Also provide details of the current implementation status of the Firm's responsible investment policy.

2. Describe with 2-3 examples, how the Firm defines the materiality of ESG factors.

Provide 2-3 examples of material ESG factors the Firm identified for its portfolio companies in its most recent Fund.

3. Provide a brief description of the Firm's process of identifying and understanding potentially material ESG risks and ESG related opportunities during due diligence.

Also, provide a description of how the identified ESG risks will impact the investment decision.

4. Describe how the ESG related opportunities or risks are documented, reported and communicated to the investment committee?

5. Provide a description of how in the deal structuring process, the ESG related considerations are integrated in the deal documentation and/or in the post investment phase.



6. Provide a description of how the oversight responsibilities along with implementation responsibilities for ESG integration are structured within the Firm.

Also list the people involved in such process along with their roles and responsibilities and how qualified they are for the role. Any external resources used by the Firm should also be listed.

7. Provide a description (if any) of any training or resources given by the Firm to its staff to help them understand, identify the relevance and importance of ESG factors in investment activities.

Describe the level of training provided as well.

8. Describe the process the Firm would use to review the existing compliance of its portfolio companies regarding ESG factors.

9. If the Firm introduces ESG factors in the compliance of its portfolio companies then provide at least 2-3 examples of the Firm's contribution to its portfolio companies.

Provide details about how the Firm worked with the management of the portfolio company to identify and introduce the ESG factors. Also state details of the portfolio companies that were already following the ESG principles.

10. Describe the process the Firm uses to identify the ESG-related compliance existing in the portfolio companies and how does the Firm ensure that the portfolio company management team devotes substantial time to manage the identify the ESG factors.

11. Describe the approach the Firm takes to prepare for incorporation of ESG factors in its portfolio companies in the time of exit.

12. Provide a description of how the Firm measures the impact of incorporating the ESG factor in its portfolio companies on the financial performance of the portfolio company.
Provide a brief description of the methods used to determine the outcomes.

13. Provide a description of how the LPs can monitor whether the Firm is adhering to the agreed ESG related factors.

Make sure to provide the channels of communication the Firm will use to communicate with the LPs about ESG adherence. If available, provide samples of how such interactions were communicated to LPs of prior Funds. If not then the Firm should indicate how it plans to communicate ESG related disclosures to its LPs.

14. Provide a description of whether the Firm will have discussion of ESG factors in its annual LP meeting or annual general meeting.

Also provide a description of how the Firm will disclose material ESG related incidents to the LPs.

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