

Alpha Fund – ILPA Due Diligence Questionnaire (Expanded Condensed Version)

Overview:

The Alpha Fund ILPA Due Diligence Questionnaire (DDQ) provides a standardized framework for investors to assess governance, alignment of interest, and transparency. This synthesized version captures all key diligence elements in a concise yet comprehensive form suitable for machine processing and document understanding systems.

1. Firm Overview and History:

Alpha Fund was established in 2014 as an independent private equity management firm headquartered in New York, with regional offices in London and Singapore. The firm manages over USD 2.5 billion in committed capital across multiple funds. Alpha Fund focuses on mid-market buyouts and growth equity investments in technology, healthcare, and consumer sectors. The firm maintains a disciplined investment philosophy emphasizing governance, operational value creation, and sustainability.

Ownership and Leadership:

The firm is privately held by its founding partners and senior management. The executive team includes the Chief Executive Officer, Chief Investment Officer, Chief Financial Officer, Chief Compliance Officer, and Head of ESG. Alpha Fund has adopted a robust succession plan ensuring continuity in leadership, including internal promotion policies and structured mentorship programs.

Governance:

Alpha Fund operates under a clear corporate governance model with defined committees for Investment, Valuation, Risk, and ESG oversight. Internal controls are reviewed annually, and all investment decisions are approved by a majority of the Investment Committee.

2. Fund Structure and Operations:

The Alpha Fund III LP is structured as a closed-end limited partnership registered in Delaware, managed by Alpha Capital Management LLC as the General Partner. The fund targets commitments between USD 750 million and USD 1 billion with a 10-year term and a 5-year investment period. The management fee is 2% during the investment period and 1.5% thereafter. Carried interest is set at 20% with an 8% preferred return hurdle.

Capital raising is executed through a FINRA-registered placement agent. The fund conducts annual investor meetings, quarterly reporting, and LP Advisory Committee sessions. Investors are provided with access to a secure data room containing audited financials, ESG reports, and investment performance data.

3. Investment Strategy:

Alpha Fund's investment approach emphasizes long-term value creation through operational improvement and strategic transformation. Target investments include scalable mid-market companies with defensible market positions and strong management teams. The fund maintains geographic diversification across North America, Western Europe, and select Asian markets. Leverage is applied prudently, typically maintaining net debt-to-EBITDA ratios below 4x.

Co-investment opportunities are offered to LPs on a no-fee, no-carry basis. The fund follows a disciplined portfolio construction approach targeting 15–20 investments with an average hold period of 4–6 years.

4. Risk Management and Compliance:

Alpha Fund has established a dedicated Risk and Compliance Committee to oversee financial, operational, cyber, and reputational risks. The firm adheres to all relevant SEC and AML regulations. Policies include anti-bribery, data protection, whistleblower, and conflict of interest management. Risk registers are updated semi-annually, and independent audits are conducted to test the adequacy of internal controls.

Cybersecurity measures are maintained in alignment with SOC 2 and ISO 27001 standards. Business continuity and disaster recovery plans are reviewed annually. Legal counsel reviews all compliance updates.

5. ESG Integration and Diversity:

Environmental, Social, and Governance (ESG) factors are embedded into every stage of the investment process. The ESG policy outlines procedures for pre-investment due diligence, portfolio monitoring, and reporting. Alpha Fund participates in the UN Principles for Responsible Investment (UN PRI) and reports on key sustainability metrics. The firm promotes diversity, equity, and inclusion (DEI) through recruitment, leadership development, and vendor selection practices. Women represent 35% of senior leadership and 45% of new hires.

6. Reporting and Transparency:

Alpha Fund maintains quarterly financial reporting with fair-value assessments in accordance with IFRS and ASC 820 guidelines. Portfolio performance is benchmarked against relevant indices. Investors receive detailed capital account statements and operational updates. Annual reports include valuation methodologies, ESG outcomes, and risk commentary.

7. Alignment of Interests:

Senior leadership maintains significant personal investment in each fund (minimum 3% of total commitments). Performance-based compensation structures ensure alignment between management and investors. Fee offsets are applied for transaction and monitoring fees to prevent double dipping.

Conclusion:

Alpha Fund demonstrates institutional-grade governance, compliance, and ESG integration. Its ILPA-aligned framework ensures transparency, accountability, and alignment of interests across all stakeholders.