
GUIDE TO ON-SITE DUE DILIGENCE

1. MEET AND ASSESS KEY PEOPLE

- Handoffs between roles
- Corporate culture

2. INVESTMENT PROCESS

- Procedures
- Investment files
- Signoffs

3. SERVICE PROVIDER AGREEMENTS

- Contract with the third-party administrator
- Any prime brokers, futures clearing merchants, etc., particularly in relation to soft dollar agreements or other conflicts
- Auditor engagement letter and any historical engagements with previous auditors
- Any management letters from a current or past auditor
- Any loan servicing agreements including agreements for backup servicers

4. REGULATORY ISSUES

- Any filings with relevant regulatory bodies
- Correspondence between regulators and the manager, i.e., SEC or NFA exit letters

5. LITIGATION FILES, IF ANY

- Non-public records

6. ANY DOCUMENTS THAT MUST BE SEEN "ON PREMISES"

- Credit committee meeting minutes
- Investment committee meeting minutes
- Valuation adjustments
- Financial statements of the manager

7. HIRING POLICY AND RELATED DOCUMENTS, INCLUDING CONFIDENTIALITY

- Employee handbooks and signatures
- Vetting procedures and adherence thereto

8. COMPLIANCE RECORDS

- Employee agreements
- Confidentiality files
- Ethics training
- Promotional materials
- Customer complaints

9. EXAMINE PHYSICAL SET-UP, INCLUDING BACKUP PROCESS AND DATA SECURITY

- Date of last test of backup systems in case of disaster
- Date of last test of data security systems
- Leases for equipment and/or office space
- Investor files