



## FUND QUESTIONNAIRE B

## APPENDIX B

If the BFTDA Board decides to proceed with due diligence, you will be requested to furnish additional information as follows.  
Please identify question and answer on separate sheet.

### 1. Management

- A. Discuss the history of your firm and disclose all/any turnover of personnel. Please provide total number of current and, if relevant, plans for additional employees.
- B. Describe how carried interest is apportioned among the general partners using the format provided below. List previous funds in addition to your proposed Fund.

Individual	Fund "A"	Fund "B"	Fund "C"

- C. Describe the vesting schedule for the General Partners interests in the proposed Fund in addition to your previous funds as outlined in 1.B above.

- D. List the portfolio involvement of your investment professionals as below.

Partner/Associate	Capital Managed	# of Investments	# of Board Seats

- E. Please provide GP investment in past, current and proposed Fund.
- F. What controls do you have in place to ensure that portfolio company funding is properly routed and effectively utilized?
- G. Describe ownership of the firm.
- H. Information Regarding Other Business Interests  
(This form must be completed by each principal of the general partner, and should list all material business endeavors or investments that could impact the amount of time available for the fund being proposed.)
- 1.) Please list all business endeavors or investments in which you are actively involved, including percentage of time dedicated to each endeavor.
  - 2.) Please list all corporate or non-profit directorships that you currently hold.

### 2. Performance

- A. What performance benchmarks would you use to evaluate your prior fund performance and what would this evaluation indicate as of the most recent calendar quarter?
- B. List all investments which have been liquidated to date. Please indicate exit strategies which you have employed in past investments and indicate if these strategies are still valid.
- C. Have any of your partnership interests traded as secondary interests? If so, please explain.
- D. What is the company valuation methodology that you have employed in past funds? If this is different from your proposed fund, please elaborate.
- E. What lessons do you feel that you have learned, both good and bad, as a result of your experiences with prior funds?

### 3. Decision Process

- A. Describe your firm's decision process as it relates to new company investments and follow-on financings.
- B. What investment criteria do you employ?
- C. Who has the authority to terminate/approve investments? Please explain. How are failing companies dealt with? How is a decision reached to shut down a company? Give examples with prior failed or difficult investments.
- D. What controls are utilized to ensure that all investment decisions are consistent with firm/fund guidelines?
- E. How do you determine/deal with a conflict of interest in the management of (a) funds and (b) portfolio companies?

**4. Dealflow**

- A. Describe your current and planned deal flow sources. Among others, list economic development entities, universities, and venture capital firms and provide a description of the relationship.
- B. Provide number of deals reviewed versus invested in the prior year. Split out Pennsylvania based deals.
- C. Number of PA based companies in the current pipeline.
- D. Please describe any partnership agreements with VC's or corporations.
- E. Please provide a copy of your most recent deal log for the most recent Quarter.

**5. Reporting**

- A. What type of reports do you prepare for limited partners? Do financial statements follow GAAP accounting standards?
- B. Who are your auditors? How are your auditors selected and how often do you change auditing firms? Have your auditors requested changes to any of your company valuations? Please explain.

**6. Limited Partner Relationships**

- A. Provide a list of current LPs and indicate whether they are public or private.
- B. In the proposed fund how many of the current LPs are re-investing?

**7. References** *(please provide telephone numbers and email addresses)* **from a sample list of the following sources.**

*BFTDA would be most interested in contacting prior portfolio company CEOs as well as past/present co-workers and deal collaborators.*

- A. Portfolio company CEOs.
- B. Mezzanine/subordinated lenders who have provided capital to your previous investments.
- C. Senior debt lenders who have provided capital to your previous investments.
- D. Venture capitalists/private equity investors who have provided capital to your previous investments.
- E. Individuals who have an understanding of your firm's investment expertise.
- F. Please list the firm's partner departures within the last five years, citing reasons for each departure and contact information for departed partners.