



CO-CAPITAL PARTNERS

Private Equity Funds

Diligence Process

Presented by:

Co-Capital Partners
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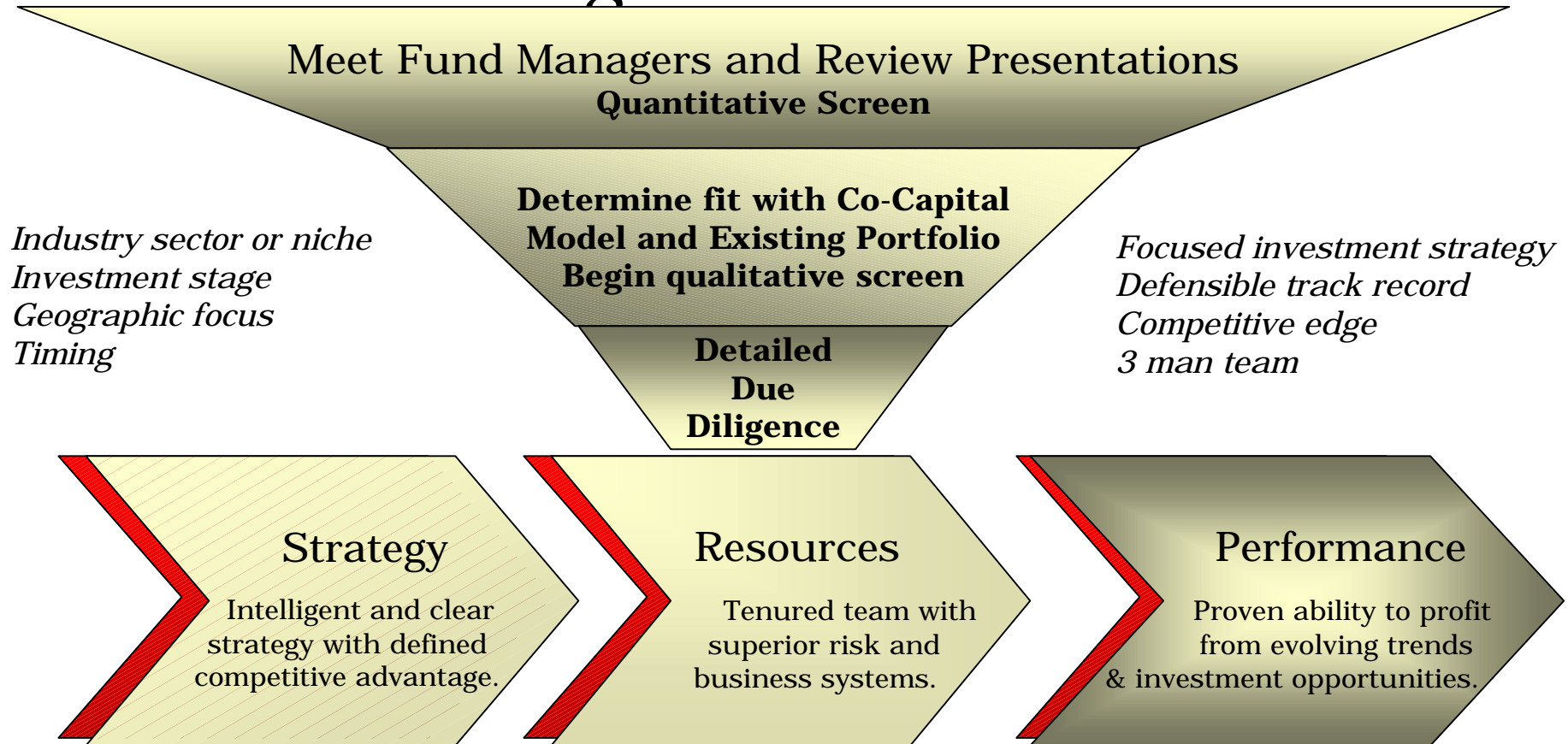
Primary Fund Diligence Process Filter

- Referral or introduction and meeting with potential investment manager.
- Preliminary screening for concentration of risk in managers or underlying portfolio, size of fund, fit with strategy and existing investments.
- Inform manager of preliminary decision. If yes, request necessary information to perform due diligence and evaluate investment opportunity. (PPM, presentations, agreements, track records, resumes, referrals, GP terms, management company details). Begin due diligence process.
- Perform additional quantitative and qualitative due diligence to include manager meeting in order to complete evaluation and make investment decision.



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Diligence Process



SELECT MANAGERS



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Detailed Diligence Process Filter: Strategy

Intelligent and clear strategy with defined competitive advantage.

- Investment focus
 - Unique, clear strategy with proprietary barrier to entry.
 - Compelling market conditions of investment focus such as historic and prospective performance issues, structure, size, growth potential, risks.
- Investment details
 - Investment stage, size, geographic focus.
 - Deal sourcing capability, internal and external.
 - Deal closing capability, syndication, control issues.
 - Ability to add value after investment and liquidation experience.
- Competitive edge
 - Competing current funds or funds in market.
 - Team background and experience has execution experience.



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Detailed Diligence Process Filter: Resources

Tenured team with superior risk and business systems.

- **Management team**
 - Experienced investors through multiple business cycles.
 - Work experience matches investment detail.
 - Team turnover, tenure and completeness reflect in carry split.
 - Professional management company personnel in place.
 - Risk and partner reporting systems in place.
- **Limited or Advisory Partners**
 - Limited Partners are complementary to other invested capital.
 - Advisory Partners are utilized and compensated as advertised.
- **Capital**
 - Capital commitment to be deployed matches projected investment schema.
 - Terms match industry standards.
 - Terms promote alignment of limited and general partner interests.



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Detailed Diligence Process Filter: Performance

Proven ability to profit from evolving trends and investment opportunities.

- Track record analyzed for
 - IRR.
 - Multiple of cost.
 - Timing of cash flows.
 - Performance attribution, skill, market timing, repeat performance.
 - Capital returned versus remaining portfolio value.
- Defensible track record
 - Investment experience matches investment detail for this fund.
- Track record compares favorably with industry.