

For Internal Use Only



Hedge Fund Manager Questionnaire & Checklist

*Wilmington Trust Investment Management
3455 Peachtree Road, NE
Suite 2000
Atlanta, GA 30326-3248*

I. Investment Management Firm

Investment Management Firm Name:

Year Founded:

Address:

Legal Structure of Firm:

Website:

Describe the history of your firm, including inception date (or both firm and each applicable product), founding partners and initial focus and strategy.

Assets under management:

List your firms' products offered, their strategies, inception date and assets in each:

Is the firm a Registered Investment Advisor?

Please provide your Central Index Key number:

Does your company have a full-time compliance officer? Name:

What was the date of your last SEC audit?

Are you registered with any other self regulatory organizations or agencies?

Firm ownership:

How many investment professionals of the firm have an equity ownership stake in the firm?

How much of the principal(s)' liquid net worth is invested in the fund(s)?

Please describe any outside business activities the principals or key employees are engaged in and how much time they spend in such activities.

What relationships does your firm or employees have which could be perceived as having a potential for conflict of interest (e.g. broker-dealer affiliations, fee sharing, etc.)?

Has there ever been any legal/disciplinary action against the firm or its investment professionals?

Is there any pending litigation against the firm or its investment professionals?

Have you received any client complaints?

II. Partnership Information

General Partner of the Partnership:

Strategy:

Name of Fund(s)/Partnership(s)/Separate Account(s) managed with this strategy:

Fund Domicile/State of Incorporation:

Inception Date:

Fiscal Year End for Each Fund:

Fund Base Currency:

Open to New Investment?

Minimum Investment:

Subsequent Investments:

Minimum Investment for a Separate Account:

Largest investor (%) in the fund:

Number of side-letters that exist for this fund:

When can the delivery of K-1s be expected?

Have the fund's activities incurred tax liabilities such that they caused the limited partners to have to file non-resident state or local municipality tax returns?

Is it anticipated that the fund will engage in activities that generate such taxes in the future?

Does the fund participate or expect to participate in activities defined as trade or business?

What internal or external resource(s) do you use in evaluating the tax impact or ramifications (e.g. investments that may trigger an obligation to file local tax returns) of investment decisions?

When can the delivery of financial audits be expected?

Last financial audit date:

Frequency of financial audits?

III Fund Liquidity

Subscription Frequency:

Lockup Period:

Penalty Period: Percentage penalty?

Redemption Notice Period - # of days:

Redemption Frequency:

Payout Period - # of days:

Do Documents allow for securities in kind upon redemption?

Does the Fund make scheduled distributions in any form (e.g. dividends, etc)?

IV. Fees

Management Fees (%):

Incentive Fees (%):

Hurdle Rate?

High water mark?

If you pay or receive a rebate on brokerage commissions, please explain on what basis and from which brokerage firms:

Redemption Fees:

Aside from management and incentive fees, what other expenses are charged to the fund?

V. Personnel

Please provide or attach a comprehensive description on the background of the key investment professionals, including specific names of firms and/or funds.

How does your firm attract and retain talented professionals?

Compensation structure for investment professionals:

Are analysts generalists or sector specific? If sector specific, please provide a list of sectors covered by each analyst.

VI. Service Providers

Please provide firm, contact person and phone # for each:

Administrator

Auditor

Legal advisor for onshore funds

Legal advisor for offshore funds

Prime Brokers

Custodian

Do we have your permission to contact these providers?

Please list all professional counterparties with which the firm maintains a relationship, not included above (including third party marketers).

Have you changed service providers at any time in the past? Why?

VII. Fund Strategy

Investment philosophy:

Description of strategy:

What makes your approach/methodology different from other managers within the same strategy?

Which managers do you consider to be similar in style to your approach?

What is the best environment for this strategy?

What are the main risks inherent to your approach/methodology?

What conditions cause normal losses for your portfolio? Large losses?

What has been your worst investment period and why?

What are some of the less apparent risks to your strategy?

What is your exposure to fat tail events?

Have there been any changes in your strategy that would render any portion of your past track record as not reflective of the strategy today? Please explain:

VIII. Investment Process

Describe your investment and research process:

How are ideas generated?

Who is responsible for making the final investment decisions?

What outside sources of information and data are used in making investment decisions?

Do you use external parties for research purposes? If so, please list:

Absolute/relative return target, objectives, benchmarks used:

What percentage of performance has come from hot issues?

What principles are used to control overall portfolio risk?

How is risk for each investment determined?

New capital influx policy:

Has the strategy or markets traded been adjusted due to new capital influx or outflow?

Asset level where new money will not be accepted:

What factors do you consider when determining the maximum capacity of the strategy?

IX. Risk

Number of securities:

Types of instruments used:

Your maximum exposure to these instruments (with appreciation):

How liquid are investments and how is liquidity measured?

What is your geographic focus?

What is your typical market cap breakdown (long and short)?

Average length of time investment is held:

Maximum initial investment:

Of the portion of the fund that is invested in derivatives, what percentage is exchange traded vs. OTC?

Sector limits:

Please describe how leverage is used, measured and managed in the fund:

Maximum leverage:

Who are your primary sources of financing? What are the terms of this financing?

Historic net exposure and ranges:

How is net exposure calculated?

Historic gross exposure and ranges:

How is gross exposure calculated?

Loss tolerance on individual positions:

Who oversees your risk monitoring?

Who has the ability to make decisions regarding risk?

Do you offer portfolio transparency?

Do you produce risk reports for investors?

What is provided and who generates them?

X. Back Office:

Names of back office employees and roles:

Describe the trade flow process:

Describe your settlement and accounting process:

Are trades reported to the Prime Broker and Administrator manually or electronically?

Who receives telephone confirmations? Are telephone lines recorded?

Who has the authority to open new banking or brokerage relationships?

What is your authorization policy for out-going wires?

What software systems are used in the portfolio accounting, management, risk and trading functions?

How often is performance reported to investors? By whom?

Who calculates performance?

Do you report performance net of all fees?

What level of transparency will you authorize through prime broker/custodian?

To what extent does the administrator have independent access to your portfolios?

Who prices the portfolio and what is the pricing policy?

What percentage of the funds' assets typically requires manual pricing?

What provisions exist if those in charge of final investment decisions become incapacitated?

What back-up systems, disaster recovery systems, exist in the event of technical failure? Are there offsite locations?

How frequently are systems backed-up?

What provisions exist in the event of a technical failure at the prime broker's location?

XI. Requested Materials

Form ADV
Complete set of subscription documents
Financial audits
Sample K-1s
Marketing Materials
Monthly performance (net of all fees and expenses)
Disaster recover plan

Hedge Fund Operational and Administrative Due Diligence Checklist

Firm/Partnership

<input type="checkbox"/> ADV	Received by:	Date:
<input type="checkbox"/> PPM/Subscription Documents	Received by:	Date:
<input type="checkbox"/> Marketing materials	Received by:	Date:
<input type="checkbox"/> Monthly performance	Received by:	Date:
<input type="checkbox"/> Disaster recovery plan	Received by:	Date:
<input type="checkbox"/> Financial Audits	Received by:	Date:
<input type="checkbox"/> Sample K-1s	Received by:	Date:
<input type="checkbox"/> Written Security Pricing Policy	Received by:	Date:

Service Providers

Auditor	Performed by:	Date:
<input type="checkbox"/> Confirm relationship		
<input type="checkbox"/> Client in good standing		
<input type="checkbox"/> Comments about manager's back office		

Tax Accounting	Performed by:	Date:
<input type="checkbox"/> Confirm relationship		
<input type="checkbox"/> Client in good standing		
<input type="checkbox"/> Comments about manager's back office		

Legal	Performed by:	Date:
<input type="checkbox"/> Confirm relationship		
<input type="checkbox"/> Client in good standing		

Prime Broker	Performed by:	Date:
<input type="checkbox"/> Confirm relationship		
<input type="checkbox"/> Client in good standing		
<input type="checkbox"/> Confirm assets and volume of trades		

Administrator

Performed by:

Date:

- Confirm relationship
- Client in good standing
- Reviewed security pricing procedure

References/Background Checks

References (minimum of 3)

- | | | |
|---|---------------|-------|
| <input type="checkbox"/> Personal | Performed by: | Date: |
| <input type="checkbox"/> Professional | Performed by: | Date: |
| <input type="checkbox"/> Current client | Performed by: | Date: |
| <input type="checkbox"/> Former client | Performed by: | Date: |
| <input type="checkbox"/> Other _____ | Performed by: | Date: |
| <input type="checkbox"/> Other _____ | Performed by: | Date: |
| <input type="checkbox"/> Other _____ | Performed by: | Date: |
|
 | | |
| <input type="checkbox"/> Google search (always) | Performed by: | Date: |
| <input type="checkbox"/> Background check (as needed) | Performed by: | Date: |