



## FUND PLANNING WORKSHEET

Starting your own fund can be very rewarding, but it is not something that you do by the seat of your pants. You will need to, at a minimum, answer the following questions in detail prior to meeting with a securities attorney to prepare fund documents. Keep in mind that we do have consulting programs, like our Executive and Private Client Programs, that will help steer you in the right direction, but here is a checklist that you can use to get started. If you don't know what something means, ask us. We're happy to help.

### STRUCTURE OF THE FUND:

- 1) What type of entity will be used? LLC, Limited Partnership?
- 2) What will be the Fund's Name?
- 3) What will the manager's name (usually an entity) name be? Will that entity be new or is it already existing?

### INVESTOR INFORMATION:

- 1) Define how many investors your fund will be limited to.
- 2) You will only be having Accredited Investors involved, right?
- 3) Will there be any retirement plan assets in the fund? Will those be limited to no more than 25% of the fund assets?
- 4) Will there be Self-Directed 401K plans in the fund as investors? How many participants are in those plans?
- 5) What is the maximum percentage of an investors personal assets that might be invested in the fund? There are limitations on this.
- 6) Will there be any non-US investors in the fund? Explain.
- 7) Will any Private Investment Funds own more than 10% of the shares in the fund? There are limitations on this.

### FEE STRUCTURE:

- 1) What is your management fee?
- 2) What will that be based on? Fund Assets? Commitments?
- 3) How often will it be paid?
- 4) In advance of in arrears?
- 5) What will the Performance Incentive Allocation/Fee be?
- 6) Will there be a High-Water Mark?

- 7) Will the manager have a Claw-Back feature where they are required to pay back fees if a hurdle has not been hit?
- 8) Is there a Hurdle Rate? If so, what?
- 9) Who pays for the fund's operating expenses, the fund or the manager/general partner?
- 10) Who pays for the fund's organizational expenses?

#### FUND ASSETS:

- 1) Describe your investment objectives.
- 2) Describe any investment restrictions that will be placed on the manager.
- 3) Describe leverage that might be used.

#### SALE OF FUND INTERESTS:

- 1) Is a placement agent being used? What do they charge? Who pays their fee(s)? Will anyone be paid to sell interests in the fund and, if so, are they licensed brokers?
- 2) How often will new investments be allowed?
- 3) Will the manager be investing in the fund? If so, how much?
- 4) Will there be a minimum to start the fund?
- 5) What will the minimum investment be?
- 6) Is there a maximum size for the fund?
- 7) Is there a lock-up period or other withdrawal restrictions?
- 8) Is there a gate provision?
- 9) How will you convey "past performance" to investors?
- 10) Is there a termination date of the fund?
- 11) Is there an advisory committee?

#### MANAGEMENT INFORMATION:

- 1) Please provide Bios and Resumes of the management team.
- 2) Who will handle the accounting for the fund?
- 3) Who will be the auditor (should be different than the accountant)?
- 4) Who will handle compliance tasks for the fund?
- 5) Who will handle preparing and sending out fund statements?
- 6) How often will fund statements go out to investors and when?