
Direct Lending Information Request List

Information/Overview of the Fund/Manager, Investment Process, and Risk Management

- Background/History
- Summary of strategies/sector rationale
- Backgrounds/experience of key fund staff
- High level info on investor base, including composition by type, and any investor larger than 10% of total
- Terms of commitments, capital calls, and redemptions/distributions
- Investment/credit process: Including identification of opportunities, diligence and screening, process to determine sizing and financing appetite at the position and portfolio levels, approvals, and ongoing monitoring (including watch lists and operational due diligence)
- Description of major elements of strategy and fund guidelines; what is the manager's unique thesis or "edge"
- Jurisdictional issues and constraints specific to this strategy
- Target returns and relevant benchmarks
- Hedging policy
- Use of leverage: existing/prospective borrowing facilities, key terms, maturity schedule, borrowing base, covenants, etc.
- Risk management protocols; Risk management organization and decision making; Independent controls
- Operational, legal, and compliance risk management
- Relevant risk limits and process for resolving limit exceptions
- Process and primary metrics for measuring and monitoring credit, liquidity, market, and operational risk
- Relevant risk limits and process for resolving limit exceptions; Key risk reports, watchlists, etc.
- Use of stress testing
- Default management
- List of current and past funds (on current funds, % of undrawn capital commitments)
- Future funds currently in fundraising stage (new or successor) and status of fundraising
- Any peer group/benchmarking that the manager does
- ESG Management and Considerations/ESG Policy
- Valuation Methodology/Policy
- DDQ

Data Request

- Indicative portfolio/Portfolio tape – including origination date, internal/external ratings, sector, coupon, maturity, industry, currency, lien type, etc.
- Loan tape of previous funds
- Dynamic Cash Flow Model (if available) that utilizes key assumptions to generate cash flows that are distributed through the transaction waterfall to pay the coupon and principal on the rated Notes
- Raw data of historical performance of individual investments in the key funds
- Minimum of 2+ year track record
- Gross and Net IRR/MOIC
- Capital invested and realization amounts (Entry date/price, exit date/price, current mark for investments that haven't been realized yet)
- Historical performance on all funds and strategies
- Cumulative default rate, cumulative loss rate, and recovery rate for the overall strategy

Legal Request

- Latest Version of Term Sheet
- Fund constitutional documents including OM, LPA for the Fund, LPA for the Feeder, NPSA, etc.
- Fund structure chart
- Closing document checklist – this includes all the documents drafted in connection with the debt securities being rated (subscription agreement, loan agreement, LPA, etc.). The list is typically managed by deal counsel