

Private Equity Fund Investing: Survey of Best Practices

For Mexico Investment Catalyst Fund of Funds

Thank you for participating in the "Private Equity Fund Investing: Survey of Best Practices". As described in the cover letter to this survey, the results of the survey will be used to identify best international practices to be incorporated by the newly-created "Mexico Investment Catalyst Fund of Funds" in the implementation of its mandate to promote economic growth in Mexico through private equity fund investment.

The survey consists primarily of "check-the-box" type questions, with only a few questions seeking a brief narrative response. Please respond with respect to the private equity fund investment program that you manage or otherwise advise (which program is referred to in the survey as the "Program"). We estimate it will take approximately 60 to 90 minutes to complete the survey. Please note that any non-public information provided in your responses will remain confidential, and will not be used for any purpose other than as set forth above.

We request that all survey responses be completed and returned to PCG International LLC (at the coordinates set forth at the bottom of this survey) by close of business on Monday, June 19th, so that the valuable insights into international best practices to be provided by the responses can be integrated into the operations of the Mexico Fund of Funds in its current formative stage.

If you have any questions regarding the survey, please contact Michael Abbey at mabbey@pcg-international.com or +1-703-772-5994, or Gene Pohren at gpohren@pcg-international.com or +1-202-824-1600 x.12. Again, thank you for your assistance in this important effort to catalyze private equity investment in Mexico.

A. Overview of Program

Background Information

1. Name of institution: _____
Mailing address: _____

- Telephone no: _____ Fax no.: _____
2. Name of Program/department (if any): _____
3. Name of Chief Investment Officer or equivalent: _____
4. Year your Program began investing in funds: _____
5. If you have a link or file that describes the history and motivating forces behind the creation of your Program, please attach. _____

Program Profile

6. Current size of your Program's fund portfolio:
 - a. total committed capital _____ b. number of Funds _____
(state currency)
7. Recent levels of your Program's activity in supporting funds (state currency):

Year	Total Committed Capital	No. of Funds
2004	_____	_____
2005	_____	_____
2006 (proj.)	_____	_____
8. Geographic focus of your Program (check all that apply)
 - US funds
 - Global funds (primarily OECD countries)
 - Emerging markets funds
 - Africa
 - Asia
 - Central and Eastern Europe/Russia
 - Latin America
 - Middle East
 - Other: _____
9. How important are the following objectives to your Program (rank importance on scale of 1 to 5, least to most important)?

TYPE OF OBJECTIVE	RANKING				
a. Performance	1	2	3	4	5
b. Diversification	1	2	3	4	5
c. Economic development: increase supply of risk capital to target regions/sectors	1	2	3	4	5
d. Economic development: promote venture capital/private equity asset class	1	2	3	4	5
e. Other: _____	1	2	3	4	5

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10. Program's portfolio IRR objective:

- For fund investments
- 0 to 5%
 - 5 to 10%
 - 10 to 15%
 - 15 to 20%
 - 20 to 25%
 - More than 25%
 - A spread of ___% over index
(specify): _____

- For co-investments
- 0 to 5%
 - 5 to 10%
 - 10 to 15%
 - 15 to 20%
 - 20 to 25%
 - More than 25%
 - A spread of ___% over index
(specify): _____

11. Percentage of your overall institution's current investment portfolio that is comprised of venture capital/private equity assets:

- less than 5%
- 5% to 10%
- 10% to 25%
- 25 to 50%
- 50 to 75%
- 75 to 100%

12. Of your Program's current venture capital/private equity assets, what percentage is:

- a. investments in funds: _____
- b. co-investments in portfolio companies: _____
- c. Other: _____

13. Of your Program's current venture capital/private equity fund assets, what percentage is:

INVESTMENT STRATEGY	PERCENTAGE OF FUND ASSETS
a. Seed Capital	_____
b. Venture Capital	_____
c. Growth/Expansion	_____
d. Buy-out	_____
e. Infrastructure	_____
f. Mezzanine Debt	_____
g. Distressed Debt	_____
h. Real Estate	_____
i. Other: _____	_____

14. How has your Program's fund portfolio performed (estimated net portfolio IRR, realized and unrealized)?

- | a. Over the past 3 years | b. Over the past 5 years | c. Over the past 10 years |
|--|--|--|
| <input type="checkbox"/> less than 0% | <input type="checkbox"/> less than 0% | <input type="checkbox"/> less than 0% |
| <input type="checkbox"/> 0 to 5% | <input type="checkbox"/> 0 to 5% | <input type="checkbox"/> 0 to 5% |
| <input type="checkbox"/> 5 to 10% | <input type="checkbox"/> 5 to 10% | <input type="checkbox"/> 5 to 10% |
| <input type="checkbox"/> 10 to 15% | <input type="checkbox"/> 10 to 15% | <input type="checkbox"/> 10 to 15% |
| <input type="checkbox"/> 15 to 20% | <input type="checkbox"/> 15 to 20% | <input type="checkbox"/> 15 to 20% |
| <input type="checkbox"/> 20 to 25% | <input type="checkbox"/> 20 to 25% | <input type="checkbox"/> 20 to 25% |
| <input type="checkbox"/> more than 25% | <input type="checkbox"/> more than 25% | <input type="checkbox"/> more than 25% |

15. How has your Program changed over the past ten years (e.g. in terms of level of activity, performance, objectives)? _____

Organizational Structure

16. How is your Program organized?
- a. Ownership
 public
 private
- b. Legal Form
 part of a larger institution
 separate legal entity
 partnership
 corporation
 trust
 other: _____
17. The key legal and/or regulatory issues that drove the structure of your Program were (check all that apply):
 tax considerations
 ERISA considerations
 mandates/limitations from organic statute or treaty
 mission
 scope of activity limitations
 geographic limitations
 performance objectives
 other: _____
18. What was the initial source of funds for Program's investments?
 pension monies
 endowment
 public funds
 retained earnings
 other: _____
19. Does your Program seek to manage third party capital (other than your institution's capital)?
 Yes No
20. How is the management of your Program structured?
 managed by internal staff
 managed by independent manager on contract basis
 the legal form of such manager is: _____
21. Which are the functions performed by the Board (or equivalent body) in the exercise of its corporate governance function (check all that apply)?
 approve annual strategic plan
 approve annual asset allocation plan
 approve annual budget
 approve annual financial statements
 approve performance plans for senior management
 hiring and firing of senior management
 receive regular reports from internal and/or external auditors
 receive regular reports on portfolio performance
 receive regular reports on compliance with organic documents
 other: _____

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22. If your institution's Board includes independent directors, how is such independent input maintained (check all that apply)?
- affirmative vote of one or more independent directors required for Board decisions
 - board must approve appointment of replacement independent directors
 - independent director terms are staggered
 - independent directors serve for terms of _____ years
 - other: _____

B. Investment and Strategic Objectives

23. How important are the following factors in determining the level and focus of your Program's capital commitments to funds? (Rank importance from 1 to 5, least to most important)?

FACTOR	RANKING				
a. opportunity to participate with top-performing managers	1	2	3	4	5
b. diversification across geographic areas	1	2	3	4	5
c. diversification across fund vintage years	1	2	3	4	5
d. diversification across different investment strategies	1	2	3	4	5
e. strategic objectives (see below)	1	2	3	4	5
f. tax planning	1	2	3	4	5
g. other: _____	1	2	3	4	5

24. Which types of strategic objectives are considered in determining the level and focus of your Program's capital commitments to funds (check all that apply)?

- economic development mandate
- environmental protection policies
- social and labor policies
- democracy promotion policies
- "additionality" requirement (i.e. catalytic to private sector)
- mandate to promote venture capital/private equity industry
- target industries: _____
- other: _____

25. How do your Program's strategic objectives (if any) impact its performance objectives, and vice-versa?

26. Which best describes the guidelines your Program uses in pursuing its various objectives (check all that apply):

- strategic objectives take precedence over performance
- performance takes precedence over strategic objectives
- each fund must show reasonable prospect of meeting minimum IRR (specify hurdle: _____)
- each fund must show reasonable prospect of returning capital

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- overall Program must meet minimum IRR (specify hurdle: _____)
- overall Program must break even
- Program is designed to accomplish its various objectives in ways that are mutually complimentary
- other: _____

C. Investment Strategy

Allocation Planning

27. Does your Program engage in systematic asset allocation planning (i.e. based on data collection, assumptions about performance of different investment strategies and instruments, and modeling of projected performance and cash flows based on data and assumptions) in determining the level and focus of its capital commitments to funds?

- Yes
 - How frequent?
 - annual
 - bi-annual
 - other: _____
 - How long does the processing time take?
 - one month
 - three months
 - six months
 - other: _____
 - Who must approve the plan (choose all that apply)
 - shareholders (or equivalent)
 - Board of Directors (or equivalent)
 - Investment Committee (or equivalent)
 - senior management
 - other line department heads (e.g., legal, policy)
 - other: _____
- No. The following process (beyond evaluation of specific fund opportunities) is used to determine level and focus of Program capital commitments:

28. Which inputs does your Program use in determining the level and focus of its capital commitments (check all that apply)?

- known opportunities to invest with top performing managers
- forecast of Program net cash flows
- assumptions regarding growth of Program portfolio
- comparison of current Program portfolio diversification and performance against long term allocation and performance targets
- assumptions regarding risk return and cash flow profiles of different investment strategies (e.g., venture vs. buyout) based on historical market data
- assumptions regarding attractiveness of different investment strategies, geographic areas, sectors based on macroeconomic analysis
- assumptions regarding terms of fund investments
- mandates/targets in respect of strategic objectives
- other: _____

29. Would your Program materially change the level of risk in its portfolio if current portfolio performance, based largely on valuation of unrealized investments, indicated better than anticipated performance?

- Yes
- No

D. Investment Process

Sourcing, Screening, Due Diligence

30. How important are the following criteria to a decision to invest by your Program (rank importance from 1 to 5, least to most important)?

FACTOR	RANKING				
a. performance of fund manager in prior funds relative to competition	1	2	3	4	5
b. absolute performance of fund manager in prior funds	1	2	3	4	5
c. clear and credible investment strategy	1	2	3	4	5
d. investment strategy has been consistently applied by fund manager in prior funds	1	2	3	4	5
e. extent to which track record reflects realized investments	1	2	3	4	5
f. extent to which track record is broad based	1	2	3	4	5
g. key fund manager principals have worked together previously	1	2	3	4	5
h. key fund manager principals have managed a prior fund through the entire investment cycle	1	2	3	4	5
i. fund manager has demonstrated proprietary deal flow	1	2	3	4	5
j. fund manager has demonstrated network among international strategic investors	1	2	3	4	5
k. fund manager has demonstrated back-office capability	1	2	3	4	5
l. fund manager has demonstrated fiduciary reporting capability	1	2	3	4	5
m. fund manager has strong presence in target geographic area	1	2	3	4	5
n. fund manager has strong command of local language, culture	1	2	3	4	5
o. extent to which fund is offering "market" terms and conditions	1	2	3	4	5
p. extent to which fund indicates willingness to accept your Program's special terms	1	2	3	4	5
q. other: _____	1	2	3	4	5

31. How important are the following to your Program's sourcing fund deal flow (rank importance from 1 to 5, least to most important)?

FACTOR	RANKING				
a. reacting to unsolicited proposals	1	2	3	4	5
b. "top down" and "bottom up" mapping of investment strategies, geographies, and funds in same	1	2	3	4	5
<input type="checkbox"/> By outside consultants	1	2	3	4	5
<input type="checkbox"/> By internal research teams	1	2	3	4	5
c. use of published "request for proposals" (or equivalent) process	1	2	3	4	5
d. fundraising cycles of fund managers already supported	1	2	3	4	5
e. industry networking	1	2	3	4	5
f. other: _____	1	2	3	4	5

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32. Who makes the initial decision for your Program regarding interest in a fund opportunity (i.e. screening decision)?
- internal research staff (based on general guidance)
 - external consultant (based on general guidance)
 - Chief Investment Officer
 - Investment Committee
 - other: _____
33. What kind of evaluation is performed by your Program before a decision to invest in a fund (check all that apply)?
- review of private placement memorandum
 - collection and review of detailed questionnaire
 - interviews with fund principals
 - interviews with full management team
 - interviews with past portfolio company managers
 - reference checks
 - verification of fund manager cash flows
 - through spreading of cash flows
 - by review of audited financial statements
 - by detailed review of valuation methodology
 - by checking attribution to principals
 - by checking unrealized valuations against comparables
 - other: _____
 - negotiation of key investment terms
 - other: _____
34. What tools are used to enhance the efficiency of the screening/ evaluation/decision process (check all that apply)?
- template screening memorandum
 - template investment recommendation memorandum
 - template evaluation criteria checklist
 - template cash flow financial model
 - database of funds, team members, portfolio companies
 - other: _____

Investment Approval

35. In your Program's investment decision process, what steps precede a formal decision to invest (check all that apply)?
- formal recommendation by external consultant
 - recommendation by Chief Investment Officer
 - approval by other line departments (specify): _____
 - recommendation by Investment Committee
 - other: _____
36. Formal decision by your Program to invest in a fund is taken by (check all that apply):
- Chief Investment Officer
 - Investment Committee
 - Board of Directors
 - other: _____

Documentation

37. How important are the following terms to your Program in fund investment negotiations (rank 1 to 5, least to most important)?

FACTOR	RANKING				
a. ability of LPs to suspend investments by supra-majority vote	1	2	3	4	5
b. ability of LPs to terminate fund by supra-majority vote	1	2	3	4	5
c. ability of LPs to remove GP "without cause" by supra-majority vote	1	2	3	4	5
d. ability to suspend, terminate based on Key Man event	1	2	3	4	5
e. LP clawback of GP carried interest distributions	1	2	3	4	5
f. participation on the Advisory Board	1	2	3	4	5
g. Advisory Board approval of annual fund budget	1	2	3	4	5
h. participation on the Investment Committee	1	2	3	4	5
i. obtaining a portion of the GP carried interest	1	2	3	4	5
j. tax distributions to address any "phantom tax" liabilities	1	2	3	4	5
k. structuring to benefit from tax treaties or other preferential tax arrangements	1	2	3	4	5
l. structuring to conform to ERISA or other pension law requirements	1	2	3	4	5
m. other: _____	1	2	3	4	5

38. Prior to your Program's entry into a formal investment commitment, which departments must "sign off" on the documentation (check all that apply)?

- senior management
- CFO's office
- General Counsel's office
- strategic objectives ("policy") gatekeeper
- other: _____

39. Typical time period for your Program from approval of a fund to entry into a legally binding fund commitment: _____

40. How does your Program utilize lawyers in the negotiation and documentation of fund commitments?

- legal function is performed primarily by in-house lawyer
 - a. number of in-house lawyers that routinely work on your Program's fund investment transactions _____
 - b. percentage dedicated to Program _____
 - c. percentage performing substantial other functions for Program's parent institution _____

- legal function is performed primarily by outside counsel
 - average legal fees or such representation
 - Under \$30,000
 - \$30,000 to \$50,000
 - \$50,000 to \$75,000
 - \$75,000 to \$100,000
 - More than \$100,000

E. Deal Flow Enhancement/Development/Outreach Activities

41. Which deal flow enhancement/developmental/outreach activities does your Program routinely undertake (check all that apply)?

- provide training to entrepreneurs regarding private equity funds
- provide training to investors regarding private equity funds
- provide training to emerging fund managers re institutional investor expectations
- provide education to private equity fund managers re opportunities in overlooked markets of interest to Program
- provide technical assistance funding to entrepreneurs
- provide technical assistance funding to funds or fund managers
- support conferences that provide networking opportunities for fund managers, investors, and/or entrepreneurs
- other: _____
- not applicable

42. Which activities have proven most effective (rank 1 to 5, least to most effective)?

TYPE OF ACTIVITY	RANKING				
a. provide training to entrepreneurs regarding private equity funds	1	2	3	4	5
b. provide training to investors regarding private equity funds	1	2	3	4	5
c. provide training to emerging fund managers re institutional investor expectations	1	2	3	4	5
d. provide education to private equity fund managers re opportunities in overlooked markets of interest to Program	1	2	3	4	5
e. provide technical assistance funding to entrepreneurs	1	2	3	4	5
f. provide technical assistance funding to funds or fund managers	1	2	3	4	5
g. support conferences that provide networking opportunities for fund managers, investors, and/or entrepreneurs	1	2	3	4	5
h. other: _____	1	2	3	4	5
i. not applicable <input type="checkbox"/>					

43. How frequently do you report deal flow enhancement/developmental/outreach impacts to the Board of Directors (or equivalent)?

- annually
- semi-annually
- quarterly
- do not report to Board on impacts
- other: _____

44. How does your Program staff its deal flow enhancement/developmental/outreach efforts (check all that apply)?

- handled largely by dedicated professional staff, supported by other Program personnel
- handled largely by investment professionals, supported by other Program personnel
- handled largely by non-professional staff
- outsourced to external consultants
- other: _____
- not applicable

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45. What resources are made available by your Program for its deal flow enhancement/developmental/outreach efforts?
- annual budget contains substantial line item(s) for such efforts
 - annual budget contains substantial line item for technical assistance funding
 - other: _____
- _____
- _____
- not applicable

F. Portfolio Management and Monitoring

Volume, Staffing

- | | | |
|---|--|---|
| <p>46. How many capital calls does your Program typically receive in one year?</p> <ul style="list-style-type: none"><input type="checkbox"/> 1 to 5<input type="checkbox"/> 5 to 10<input type="checkbox"/> 10 to 15<input type="checkbox"/> 15 to 20<input type="checkbox"/> 20 to 25<input type="checkbox"/> 25 to 30<input type="checkbox"/> More than 30 | <p>47. How many distribution notices does your Program typically receive in one year?</p> <ul style="list-style-type: none"><input type="checkbox"/> 1 to 5<input type="checkbox"/> 5 to 10<input type="checkbox"/> 10 to 15<input type="checkbox"/> 15 to 20<input type="checkbox"/> 20 to 25<input type="checkbox"/> 25 to 30<input type="checkbox"/> More than 30 | <p>48. How many requests for amendments or waivers to fund investment documentation does your Program typically receive in a year?</p> <ul style="list-style-type: none"><input type="checkbox"/> 1 to 5<input type="checkbox"/> 5 to 10<input type="checkbox"/> 10 to 15<input type="checkbox"/> 15 to 20<input type="checkbox"/> 20 to 25<input type="checkbox"/> 25 to 30<input type="checkbox"/> More than 30 |
|---|--|---|
49. How are the portfolio management, monitoring, and administration functions staffed at your Program?
- handled largely by same professionals that originate fund investments, with assistance of support staff;
 - handled largely by staff other than originating professionals, of which:
 - a. percentage of such staff that is dedicated to these functions:

 - b. percentage of such staff that is substantially involved in other functions for Program or parent institution:

 - handled largely by external consultants
 - other: _____
- _____

50. For which functions does your Program have separate, dedicated staff (check all that apply):
- accounting
 - legal
 - human resources
 - data verification and input, database management
 - portfolio reports and analysis
 - fund relationships
 - fund compliance monitoring

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- investment research
- information technology
- other: _____

Processes, Standards

51. Which functions are most important to operations of your Program’s portfolio management, administration and monitoring group (rank 1 to 5, least to most important):

FUNCTION	RANKING				
a. confirming compliance of each proposed investment by a fund with that fund’s investment guidelines, diversification requirements, and other contractual restrictions	1	2	3	4	5
b. confirming compliance of all management fees and fund expenses paid by each fund with contractual restrictions	1	2	3	4	5
c. confirming compliance with all reporting requirements, including in respect of scope and timeliness	1	2	3	4	5
d. inputting into a database on a contemporaneous basis all key data regarding each fund, including fund terms, portfolio company profiles, capital calls, distributions, and other cash flows	1	2	3	4	5
e. verifying data provided by funds, including against monthly Program bank statements, quarterly fund financial statements, and quarterly or semi-annual fund valuation reports	1	2	3	4	5
f. Ensuring integrity of database through separate accuracy review of all data inputs by person other than individual that input data	1	2	3	4	5
g. producing regular Program portfolio performance reports, including current valuations, actual cash flows, and portfolio IRR	1	2	3	4	5
h. producing regular forecast of Program portfolio cash flows and performance using financial model	1	2	3	4	5
i. collecting benchmark data, and analyzing Program portfolio performance reports against benchmark data	1	2	3	4	5
j. producing/analyzing regular Program portfolio construction and performance reports, comparing actual vs. plan	1	2	3	4	5
k. maintaining and following written procedures for each major aspect of portfolio management, administration and monitoring	1	2	3	4	5
l. ensuring that no individual has the authority or ability to approve, execute and report any Program transaction	1	2	3	4	5
m. other: _____	1	2	3	4	5

52. Which processes does your Program use to monitor fund performance and compliance (check all that apply):

- production of regular internal monitoring reports
 - a. how frequent: _____
 - b. which departments review: _____

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- regular internal meetings to review Program portfolio
 - a. how frequent: _____
 - b. which departments attend _____
- regular attendance at Advisory Board meetings of each fund
 - a. how frequent: _____
- other regular meetings with fund manager to discuss performance and compliance
 - a. how frequent: _____
- regular meetings with management of key portfolio companies
 - a. how frequent: _____
- regular site visits of key portfolio companies
 - a. how frequent: _____
- other: _____

53. Which reporting requirements does your Program routinely require be met by its funds (check all that apply)?

- quarterly unaudited, and annual audited, fund financial statements
- quarterly unaudited, and annual audited, investment manager financial statements
- quarterly and annual capital account statements
- quarterly investment activity reports, e.g. investments made, realized
- quarterly performance summaries for each portfolio company
- audited financial statements for each portfolio company
- annual budget for fund
- annual budget for investment manager
- other: _____

54. Which valuation guidelines are routinely used by the funds supported by your program (check all that apply)?

- US GAAP
- EVCA, BVCA and/or new International Private Equity Valuation Guidelines
- PEIGG
- other: _____

55. Which processes does your Program use to verify fund manager valuations (check all that apply)?

- review each fund manager valuation
- check valuation inputs against portfolio company financial statements
- check portfolio company comparables
- independently run valuations of portfolio companies using several different methodologies
- independently run valuations of portfolio companies using standardized Program valuation guidelines
- other: _____

56. Which of the divestment strategies does your program routinely use?

- buy and hold until fund termination
- sale of LP interest in secondary transaction
- other: _____

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57. What is the average holding period for your program's fund investments (i.e. period from capital contribution to return of capital)?
- less than 3 years
 - 3 to 4 years
 - 4 to 5 years
 - 5 to 6 years
 - 6 to 7 years
 - 7 to 8 years
 - more than 8 years

Information Technology, Reporting

58. Which IT platforms does your Program use (check all that apply)?
- Analytics
 - Burgess/Private I
 - InvestTrans
 - Excel-based
 - custom designed
 - other: _____
59. What services has your Program purchased from its IT platform vendor (check all that apply)?
- customization of software
 - service plan
 - other: _____
60. How much did your Program spend on the initial design and implementation of the IT platform:
- less than \$50,000
 - \$50,000 to \$100,000
 - \$100,000 to \$250,000
 - \$250,000 to \$500,000
 - \$500,000 to \$1 million
 - more than \$1 million
61. How much does your Program spend on ongoing operations and maintenance (excluding internal staff) of its IT platform:
- less than \$25,000
 - \$25,000 to \$50,000
 - \$50,000 to \$75,000
 - \$75,000 to \$100,000
 - \$100,000 to \$250,000
 - more than \$250,000
62. How satisfied is your Program with its current IT platform (indicate on a scale of 1 to 5, unsatisfied to very satisfied)? _____
63. Which portfolio management/monitoring reports does your IT platform generate (check all that apply):
- status/performance of each fund (e.g. capital committed, drawn down, invested, realized, distributed; IRR and multiples)
 - aggregate roll-up of status/performance of Program portfolio
 - Program portfolio diversification (e.g. by vintage year, investment strategy, sector)
 - Program portfolio annual cash flows, actual and projected
 - compliance of each fund with contractual requirements
 - Program performance in respect of strategic objectives
- a. describe reports: _____
- contacts manager/directory of funds contacts
 - forward calendar of fund manager fundraising cycles
 - customized reports derived from filtering, grouping, sub-totaling database entries
 - other: _____

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64. How does your Program measure the impact of its deal flow enhancement/
developmental/outreach activities (describe in respect of each that apply):

TYPE OF ACTIVITY	IMPACT INDICATOR
Economic development mandate	
Environmental protection policies	
Social and labor policies	
Democracy promotion policies	
Additionality requirement	
Mandate to promote venture capital/private equity industry	
Target industries: _____	
Other: _____	
<input type="checkbox"/> Not applicable:	

G. Operating Policies and Parameters

Staffing, Compensation

65. What is the total number of Program staff in each of the following categories:

CATEGORY OF EMPLOYEE	NUMBER
Senior Management	_____
Investment professionals	_____
Attorneys	_____
Accounting Professionals	_____
Other Professionals	_____
Support Staff	_____
Investment Research	_____
Information Technology	_____
Other: _____	

66. What is the range of base compensation provided to staff professionals (check all that apply):

- senior management
 - \$50 to \$100,000
 - \$100 to \$150,000
 - \$150 to \$200,000
 - \$200 to \$250,000
 - \$250 to \$300,000
 - More than \$300,000
- investment professionals
 - \$50 to \$100,000
 - \$100 to \$150,000
 - \$150 to \$200,000
 - \$200 to \$250,000
 - \$250 to \$300,000
 - More than \$300,000
- other professionals
 - \$50 to \$100,000
 - \$100 to \$150,000
 - \$150 to \$200,000
 - \$200 to \$250,000
 - \$250 to \$300,000
 - More than \$300,000
- analysts
 - \$25 to \$50,000
 - \$50 to \$75,000
 - \$75 to \$100,000
 - \$125 to \$150,000
 - More than \$150,000

67. Which forms of incentive compensation are used?

- cash bonuses
- carried interest
 - vesting over what period: _____
- no incentive compensation provided
- other: _____

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68. How is the amount of incentive compensation determined?
- lockstep formula for entire staff set by senior management each year
 - compensation committee determines for each individual employee
 - senior manager of department determines for each individual employee in department, within budget provided by senior management
 - other: _____
69. What determines the amount of incentive compensation?
- performance of overall portfolio
 - actual operating expenses vs. budget
 - management assessment of individual performance
 - ad hoc
 - against written annual individual performance targets
 - peer reviews of individual performance
 - other: _____
70. For top performers, how much does incentive compensation increase overall compensation?
- 1 to 10% of base compensation
 - 10 to 25% of base compensation
 - 25 to 50% of base compensation
 - 50% to 100% of base compensation
 - 100 to 150% of base compensation
 - More than 150% of base compensation
71. What type of training opportunities does your Program provide to its investment professionals?
- private equity industry conferences
 - executive business education
 - distance learning
 - secondments to other institutions
 - other: _____
72. Does the Chief Investment Officer have the authority, within legal and budgetary constraints, to hire and fire staff and consultants?
- Yes No

Risk Management

73. Which processes does your Program use to monitor and control Program expenses (check all that apply):
- senior management creation of annual Program operating budget
 - Board of Directors approval of annual budget
 - Regular reporting to Board of Directors on actual vs. budget
 - incorporation of budget targets into senior management performance plans
 - other: _____
74. Which are incorporated into your Program's operations (check all that apply):
- dedicated Compliance Officer to oversee and monitor Program compliance with external legal and regulatory regimes, as well as internal process and procedures
 - Written compliance calendar setting forth key dates for compliance filings, reviews, etc.

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- Formal process and written procedures to identify and report potential conflicts of interest between or among Program employees, consultants, and funds supported
- written code of ethics
- confidential forum for employees to raise concerns regarding Program investment process, management practices
- written Antimoney Laundering Policy
- written Disaster Contingency Plan
- written Recordkeeping Policy regarding records maintenance and retention
- Regular training on Program policies for employees; how frequent: _____
- Regular internal audits regarding Program compliance with investment process and procedures; how frequent: _____
- Regular internal audits regarding Program compliance with portfolio planning and review process and procedures; how frequent: _____
- Regular internal audits regarding Program compliance with portfolio management/administration/monitoring process and procedures; how frequent: _____
- Regular internal audits regarding Program compliance with Program policies regarding conflicts of interest, anti-money laundering, and other legal and regulatory requirements; how frequent: _____

Please return by **Monday, June 19th** the completed survey by fax, email, or courier to:

Michael Abbey
Senior Adviser
PCG International
1100 H Street, N. W., Suite 900
Washington, D.C. USA 20005
Tel: +1-703-772-5994 or 202-822-1620
Fax: (202) 824-4300
mabbey@pcg-international.com