

# Community Investment Fund Manager

## Due Diligence/Monitoring Visit Agenda

### I. Organizational Update

- Review any organizational changes that occurred during the last 12 months, including structural changes and professional turnover.
- Review any expected changes to the organization or to the professional composition of the firm.

### II. Mission and Purpose

- Discuss the mission of the organization
- What are the decision making criteria for investing in an organization?
  - Social
  - Ethical
- Have you ever turned down an investment solely on the basis of the purpose of the organization that was applying for funds?
- Do you have any reason to believe that investments that your organization has made are in conflict with the religious or ethical directives of the Catholic Church?

### III. Investment Process and Application

- Provide a brief review of the firm's investment philosophy.
- Describe in detail the investment process, including what constitutes your universe of opportunities, how you narrow your universe, and sector and/or security selection.
- Describe how the investment team is structured including key professionals and how communication within the team transpires.
- Describe your sell discipline and provide a recent example.
- Describe the outcome of your process in terms of portfolio characteristics and turnover.
- Do you employ leverage?

### IV. Investment Outlook

- Provide a review of your current investment outlook.
- Provide specific detail as to how this outlook has impacted or may impact the portfolio.

### V. Compliance

- Provide a compliance manual and demonstrate the compliance function
- Questions
  - Who is the auditor?
  - Financials according to GAAP?
  - Where domiciled?

### VI. Risk Management

- Describe the risk management process
  - Is it independent and who does it report through
- Provide the written risk management policy
- Provide sample reporting
  - Metrics reported

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- Timeline for reporting
- Method for reporting illiquid and side pocket investments

### **VII. Back Office/Operations**

- Observe valuation methodology and written policy
  - Valuation of underlying loans
  - Are pricing sources independent, reliable and recognizable
  - Is the policy reviewed regularly
  - Is there a valuation committee or other governance
  - Any illiquid investments
  - Impact of FAS 157 on valuation operation
- Who is responsible for operations
- Are operations independent from portfolio management
- What is the reconciliation process

### **VIII. Other**

- Terms of any material side letters
- Office tour