

Subscription facility diligence checklist

Appendix B. The subscription facility list, then the NAV facility list. Tick against evidence, not against a conversation: an item without a document and a date is still open.

Facility / fund		Prepared by	
Fund		Date	

Subscription facility

#	Item	Status	Owner	Note or answer
Fund and structure				
1	Final close, investment period, fund term, and extension rights.			
2	Main fund, parallel funds, feeders, AIVs, blockers, and GP entities.			
3	Borrowing and guarantee authority for each relevant entity.			
4	Existing debt, liens, hedges, and account arrangements.			
5	Proposed uses, currencies, amount, tenor, and expected utilization.			
Investor information				
6	Signed subscription agreements and current investor register.			
7	Commitment, called capital, funded capital, recallable distributions, and remaining commitment.			
8	Legal name, jurisdiction, type, rating, financial information, and funding history.			
9	Side letters, excuse rights, notice changes, borrowing limitations, and MFN elections.			
10	Transfers, pending transfers, defaults, disputes, and KYC status.			
Capital-call mechanics				
11	Notice period and permitted delivery method.			
12	Entity authorized to issue calls.			
13	Purposes for which commitments remain callable.			
14	Overcall rights and limits.			
15	Investor default remedies.			
16	Lender or agent call rights after default.			
17	Designated contribution accounts and control arrangements.			
Borrowing-base design				
18	Eligibility categories and approval authority.			
19	Advance rates and rating triggers.			
20	Investor, group, type, country, and rating concentration limits.			
21	FX methodology and buffers.			
22	Reserves and discretionary standards.			

#	Item	Status	Owner	Note or answer
23	Cure methods, cure timing, and reporting frequency.			
Legal and closing				
24	Credit agreement, security documents, guarantees, account control, and investor notice.			
25	Organizational documents, resolutions, incumbency, legal opinions, and filings.			
26	KYC, sanctions, tax forms, fees, and insurance where relevant.			
27	Post-closing items, owner, deadline, and consequence.			

NAV facility diligence checklist

Appendix B. The NAV facility list. Reference assets and collateral assets are not always the same: record which is which.

Facility / fund		Prepared by	
Fund		Date	

NAV facility

#	Item	Status	Owner	Note or answer
Transaction purpose				
1	Amount by use: follow-ons, expenses, distributions, refinancing, or acquisitions.			
2	Alternatives considered and reason for fund-level financing.			
3	Base repayment source and fallback.			
4	Governance, conflicts, LPAC, and investor disclosure.			
Portfolio data				
5	Asset description, strategy, jurisdiction, ownership, and holding structure.			
6	Entry cost, reported value, valuation method, and valuation date.			
7	Revenue, EBITDA, free cash flow, or strategy-specific operating metrics.			
8	Asset-level debt, maturity, covenants, hedging, and cash restrictions.			
9	Expected dividends, interest, refinancings, sales, and follow-on needs.			
10	Minority interests, transfer restrictions, consents, and regulatory limits.			
Valuation and eligibility				
11	Valuation policy, committee, independent review, and audit.			
12	Excluded assets, stale marks, impaired assets, and challenged valuations.			
13	Concentration by asset, sector, geography, currency, and exit timing.			
14	Taxes, transaction costs, FX, and realization assumptions.			
15	Base and downside adjusted NAV.			
Structure and controls				
16	Borrower, guarantors, SPVs, equity pledges, negative pledges, and accounts.			
17	Reference assets versus collateral assets.			
18	Cash sweep, distribution blockers, draw stops, and mandatory prepayments.			
19	Additional debt, liens, asset transfers, and permitted leakage.			
20	Valuation challenge and information rights.			
Maturity and downside				

#	Item	Status	Owner	Note or answer
21	Quarterly cash-flow forecast through maturity and extension.			
22	Delayed-exit scenario.			
23	Largest-asset impairment scenario.			
24	Higher interest cost and additional follow-on scenario.			
25	Recovery path, enforcement timing, and intercreditor issues.			

Closing readiness and monthly operations

Appendix B and Chapters 5 and 6. The first list is run once, before the first draw. The second is run every month, and signed by someone other than the preparer.

Facility		Prepared by	
Fund		Date	

Closing readiness

#	Item	Status	Owner	Note or answer
1	Final approved terms reconciled to executed documents.			
2	All conditions precedent reviewed and accepted.			
3	Security perfection confirmed by counsel.			
4	Account names and payment instructions independently verified.			
5	Investor notices delivered and evidence retained where required.			
6	Authorized signatories and contact details tested.			
7	First borrowing-base or NAV certificate agreed.			
8	First draw process rehearsed.			
9	Covenant calendar loaded with owners and reviewers.			
10	Accounting, fee allocation, and interest accrual process documented.			
11	Operational handoff completed.			
12	Post-closing deliverables calendared.			

Monthly facility operations. Month: _____

#	Item	Status	Owner	Note or answer
1	Reconcile bank accounts and outstanding exposure.			
2	Reconcile interest, fees, and agent statements.			
3	Update investor commitments or portfolio values.			
4	Review transfers, defaults, side letters, or material asset events.			
5	Prepare borrowing-base or LTV calculation.			
6	Compare changes with prior period and investigate exceptions.			
7	Review covenants, cure periods, and reporting deadlines.			
8	Update liquidity forecast and repayment plan.			
9	Confirm upcoming capital calls, distributions, exits, and maturities.			
10	Deliver management dashboard.			
11	Retain signed evidence and reviewer approval.			

Borrowing-base and loan-to-value worksheet

Chapters 3, 4 and 8. Apply the levers in the order the agreement sets: exclusions, then concentration caps, then advance rates, then the reserve. The order changes the answer.

Facility		Prepared by	
Fund		Date	

Investor group	Uncalled	Excluded	Eligible	Cap	Included	Advance rate	Base value
Total							

Subscription facility	Amount	Note
Gross borrowing-base value		
Less: lender's reserve		
Borrowing base		
Facility commitment		
Availability: the lower of the two, and which one binds		
Currently drawn		
Undrawn availability		
Headroom of the base over the facility		
Base after the stress (largest investor downgraded, currency move)		

NAV facility	Amount	Note
Reported equity NAV and its date		
Less: assets excluded in full		
Less: haircuts on concentrated or stale assets		
Less: tax and realisation reserves		
Adjusted eligible NAV		
Exposure		
Loan to value on eligible NAV (the covenant)		
Loan to value on reported NAV (the cover page)		
NAV at which the covenant breaches, and the fall that takes it there		

NAV facility asset review and credit memo check

Appendix G, Template 3, and the Appendix B memo checklist. One page per material asset, then the twelve questions a memo must answer before it goes to committee.

Asset		Prepared by	
Fund		Date	

Heading	What it must show	Answer
Asset overview	Asset name, holding entity, jurisdiction, strategy, ownership, acquisition date, cost, current reported value, and share of fund NAV.	
Business and operating performance	Describe the business model and the two or three operating drivers that determine value. Show recent actual performance against budget and prior year. Explain material customer, regulatory, commodity, or market dependencies.	
Capital structure	List asset-level debt by instrument, amount, maturity, interest, security, amortization, and covenant headroom. Identify refinancing needs and restrictions on upstream distributions.	
Valuation	State the method, key assumptions, reference date, approving body, and any independent evidence. Explain why the value changed since the prior period. Provide lender-adjusted value and rationale.	
Cash generation	Show historical and forecast dividends, interest, refinancing proceeds, and sale proceeds available to the fund. Deduct taxes, minority interests, reserves, and contractual restrictions.	
Exit and follow-on plan	Describe the expected route, timing, buyer universe, and dependencies. Show additional capital needs and the value protected or created by the follow-on.	
Downside	Identify a realistic operating downside, valuation impact, debt consequence, and recovery timing. State whether the asset remains eligible and whether it can cause a covenant breach.	
Credit conclusion	Classify the asset as core support, eligible with haircut, watchlist, or excluded. State the review trigger and next required information.	

Credit memo quality check

#	Item	Status	Owner	Note or answer
1	What decision is requested?			
2	Why does the borrower need the facility?			
3	What is the primary repayment source?			
4	What is the fallback repayment source?			
5	What collateral and control does the lender have?			
6	Which assumptions come from management and which from the lender?			
7	What happens if the largest investor or asset is removed?			
8	What happens if repayment is delayed by one year?			
9	Which covenant gives the earliest useful warning?			

#	Item	Status	Owner	Note or answer
10	Which policy exceptions require approval?			
11	What condition would change the recommendation?			
12	Can a reader understand the transaction without opening the data room?			