

Due Diligence Check List
Rockefeller Foundation PRI/Investment Program (ProVenEx)

A. All Opportunities

1. Management team & Company:

- a) Experience & track record of top management team. Check references, including suppliers, customers, lenders, investors. If fund manager, check with co-investors, other board members and CEOs of investee companies. If appropriate, background & credit checks.
- b) Compensation (salary, stock ownership, options, profit sharing, benefits, etc.)
- c) Length of time at company
- d) Composition of board and advisory committee
- e) Existing shareholders

2. Business plan:

- a) What unmet need does the business address? Quality of competitive landscape analysis, reasonableness of projections. Size of potential market.
- b) What is the business model (i.e. how does the business make money)? Break-even analysis?
- c) Cash flow requirements
- d) Timing and level of potential return

3. Financial statements:

- a) Review past annual audited statements and quarterly financial statements. Do they make sense?
- b) Who are existing investors? Valuation of last funding round?
- c) Have they filed tax returns regularly?

4. Industry background:

- a) Structure of the industry, where does business fit in supply chain. How critical or strategic is its position in the supply chain?

- b) Key industry players
- c) Other investors
- d) Distribution channels, if relevant
- e) Regulation

B. Technology

Everything under A plus:

1. Nature and differentiating features (what's so special, down-sides)
2. Intellectual property position
3. R & D process, cost, sources of funding timeline & key milestones
4. Proof of concept: has there been proof of concept? How? If not, time-frame?

C. Intermediaries

Everything under A plus:

1. Investment strategy.
2. Go through current portfolio, focus on patterns & reasons for success and failures, realized & unrealized gains and losses. Who were people primarily responsible? Projected IRR? Process for vetting, valuing investments & marking to market. Composition of investment or credit committee?
3. What is the fund's added value? How has this been demonstrated?
4. Size & sources of deal flow
5. Ability to track & document social returns?