WORKING DOCUMENT ONE

The pre-IC gate

Thirty items from section 8.15, then the nine LP red flags of 8.16. Section 8.15 is a gate, not a wish list: an item is Done, Disclosed, or it is Open. A Disclosed item owes a line in the IC memo.

#	Item	Status	Owner	Note or disclosure
A. Inputs and data integrity				
1	All key inputs centralised on an Inputs tab with clear labels and units.			
2	Blue/black (or equivalent) formatting consistently applied.			
3	No hard-coded constants inside formulas for material line items.			
4	Rent roll ties to modelled year-1 contractual rent within an agreed tolerance.			
5	T-12 expenses loaded and normalised with documented adjustments.			
6	Property taxes underwritten with reassessment logic and appeal assumptions stated.			
7	Insurance based on quote or market broker guidance, not last year's premium.			
B. Revenue and lease modelling				
8	Lease abstracts completed for major tenants (or top 80% of income) and variances disclosed.			
9	Free rent and concessions modelled explicitly and timed correctly.			
10	Renewal probabilities, downtime and leasing costs documented and supported by comps.			
11	Reimbursements reflect actual lease language and exclusions.			
C. Capex and business plan				
12	Capex plan itemised with scope, timing and bids or benchmarks.			
13	TI/LC separated from building capex and tied to leasing assumptions.			
14	Contingency reserve included and justified — deal-specific, not arbitrary.			
15	Stabilisation definition stated: occupancy, NOI, months of trailing performance.			
D. Debt and capital stack				
16	Debt terms reflect a current lender quote or realistic market assumptions.			
17	Interest rate cap cost included when applicable.			
18	DSCR, debt yield and LTV tracked over time; maturity test highlighted.			
19	Refinance assumptions tested under downside scenarios with binding constraints.			
20	Extensions modelled only if realistic and conditional tests shown.			
E. Returns and sensitivities				
21	Levered and unlevered returns presented: IRR, equity multiple, cash-on-cash.			
22	Exit cap and exit NOI sensitivity table included.			
23	Key operating sensitivities included: rent growth, occupancy and absorption, opex inflation.			
24	Scenario narratives clearly stated and reflected in assumptions, not cosmetic.			

#	Item	Status	Owner	Note or disclosure
F. Governance and readability				
25	Model has a Read Me tab: structure, conventions and navigation.			
26	Assumption log updated and attached to the IC memo.			
27	Version number and date clearly shown in the model and in the IC deck.			
28	Error checks visible and all checks pass.			
29	Outputs formatted for IC: summary page with key metrics and charts.			
30	A third-party reviewer — someone other than the model author — has reviewed the file.			
G. LP red flags from 8.16 — confirm each is absent or explained				
31	Exit cap compression assumed with no justification.			
32	Growth assumptions detached from comps.			
33	"Management lift" expense savings without an operational plan.			
34	Refinance used as a bailout strategy.			
35	Opaque waterfall or unclear fees.			
36	Missing tie-outs and reconciliations to the rent roll.			
37	Overconfidence in lease-up timing.			
38	No contingency reserve, or a contingency with no explanation.			
39	Poor model governance: no version history, no assumption log.			

Status values: Done / Disclosed / Open / N/A. The workbook version of this document counts them and will not report the model as ready for IC while an item is Open.

WORKING DOCUMENT TWO

The quarterly close

Thirty-one steps in twelve stages, from Chapter 12. A close is a repeatable cadence, not a sprint. Every step carries an owner and a date before the quarter starts, not after it ends.

#	Step	Status	Owner	Due date
1) Close calendar and responsibilities				
1	Confirm reporting deadlines, valuation committee date and investor distribution targets.			
2	Assign owners for property T-12s, debt statements and capex updates.			
2) Cash and bank reconciliations				
3	Reconcile bank accounts for the fund and material SPVs.			
4	Review outstanding reconciling items; clear stale items.			
5	Validate restricted cash and lender reserves.			
3) Accounts payable and accruals				
6	Capture unpaid invoices, legal bills, admin fees, and audit and tax accruals.			
7	Accrue the management fee and any performance fee per the documents.			
8	Review prepaid expenses and amortise appropriately.			
4) Intercompany and related-party				
9	Reconcile due to and from affiliates and SPVs.			
10	Ensure related-party expenses are allocated per policy and documented.			
5) Debt and compliance				
11	Record interest expense, amortisation of financing costs and covenant compliance status.			
12	Update the maturity schedule and hedging impacts.			
6) Property-level data consolidation				
13	Collect property financials, rent rolls, occupancy and leasing updates.			
14	Review anomalies: bad debt spikes, concessions, unusual repairs.			
7) Valuation and NAV				
15	Update valuation models — income, comps, DCF — and their assumptions.			
16	Obtain third-party appraisal updates if scheduled.			
17	Prepare the valuation memo and the NAV bridge from prior NAV to current NAV.			
18	Present to the valuation committee for approval and document the minutes.			
8) Capital activity				
19	Post capital calls, contributions and distributions.			
20	Confirm investor ownership, commitments and any transfers.			
21	Update the unfunded commitment schedule.			
9) Allocation and investor statements				

#	Step	Status	Owner	Due date
22	Run the allocation engine for income and expense, and for unrealised and realised gains.			
23	Generate investor statements; review for reasonableness and tier outcomes.			
10) Financial statements and management reporting				
24	Prepare the fund-level balance sheet, income statement and cash flow.			
25	Provide variance analysis against budget and prior quarter.			
11) Quality assurance tests				
26	Tie cash to bank statements.			
27	Tie capital activity to notices and receipts.			
28	Validate NAV per unit or share and reconcile to capital accounts.			
29	Analytical review: changes in NOI, cap rates, debt balances and expenses.			
12) Sign-off and release				
30	Controller or CFO sign-off on the close package.			
31	Release investor reports via the portal; document the distribution list and timestamps.			

A step without an owner is not a step. Sign-off belongs to one named person, and the release to the portal is documented, not assumed.

WORKING DOCUMENT THREE

The fund risk register

The fifteen risks of section 13.13, with the KPI and the mitigation the section asks for. Likelihood and impact are yours to score, one to five. A risk without a named owner is a note, not a control.

#	Risk	Family	Lik.	Imp.	Owner	KPI and mitigation
1	**Cap rate expansion at exit**	Market				*Exit cap versus entry, tracked quarterly. Mitigation: extension options, no forced sale window.*
2	**Refinancing at lower proceeds**	Market				*Refi proceeds under the stressed credit box. Mitigation: maturity ladder, reserves.*
3	**Rate rises beyond the cap strike**	Market				*Index versus strike. Mitigation: strike set off the covenant, not off a rate view.*
4	**Major tenant default or non-renewal**	Credit and tenant				*Tenant concentration, A/R ageing. Mitigation: early renewal dialogue, TI reserve.*
5	**Collections deterioration**	Credit and tenant				*Collections as a percentage of billings. Mitigation: weekly delinquency review.*
6	**Lease-up slower than plan**	Credit and tenant				*Absorption versus plan, in units per month. Mitigation: concession authority pre-agreed.*
7	**Construction cost overrun**	Construction				*Committed versus budget, change orders. Mitigation: GMP, contingency sized on scope.*
8	**Construction schedule slippage**	Construction				*Critical path float. Mitigation: liquidated damages, monthly draw inspections.*
9	**Property tax reassessment**	Legal and regulatory				*Assessed value versus underwritten. Mitigation: appeal filed, never budgeted as income.*
10	**Insurance premium hardening**	Legal and regulatory				*Renewal quote versus expiring. Mitigation: deductible review, retained risk priced.*
11	**Regulatory or compliance breach**	Legal and regulatory				*Open compliance items. Mitigation: marketing pre-approval, substantiation files.*
12	**Wire fraud**	Cyber and data				*Dual approval coverage. Mitigation: verified callbacks on every change of instruction.*
13	**Data loss or ransomware**	Cyber and data				*Backup restore test date. Mitigation: tested restores, not just backups.*
14	**Key-person departure**	Reputational				*Succession coverage for named roles. Mitigation: documented handover, retention terms.*
15	**Investor confidence in a stress event**	Reputational				*Time from event to LP communication. Mitigation: pre-agreed escalation protocol.*

Score is likelihood times impact, out of twenty-five. Twelve and above belongs on the monthly dashboard rather than the quarterly one; sixteen and above belongs in the IC pack.

WORKING DOCUMENT FOUR

The next ninety days

The eight items of section 13.13, sequenced rather than listed. None of them requires perfection; they require consistency. The order matters more than the pace: each month depends on what the previous one produced.

Item	What it is	Month	Effort	Owner	Why it sits here
1	**Create a fund risk register with the top 15 risks, owners, KPIs and mitigation actions.**	1	3 d		*The Risk Register sheet is this item. Do it first: it names what everything else is protecting against.*
3	**Adopt a wire fraud prevention protocol with dual approval and verified callbacks.**	1	1 d		*Cheapest control in the list and the only one where a single failure is unrecoverable.*
6	**Establish AML/KYC onboarding checklists and sanctions screening for all investors.**	1	4 d		*Blocks new subscriptions if it is not in place. Do it before the next close, not after.*
2	**Implement a monthly portfolio risk dashboard: leverage, maturities, rollover, construction exposure, insurance costs, collections, top exceptions.**	2	6 d		*Needs the risk register to know what to put on it.*
5	**Build a conflicts register and implement a transaction allocation policy.**	2	3 d		*Asked for in every LP diligence questionnaire. Cheap to build, expensive to retrofit.*
8	**Document recordkeeping standards and enforce a shared repository taxonomy.**	2	4 d		*Every later item gets easier once documents have one home and one naming convention.*
4	**Standardise marketing and disclosure controls: version control, pre-approval, substantiation files.**	3	4 d		*Depends on the repository taxonomy from item 8.*
7	**Launch an ESG baseline: energy and water benchmarking, climate screening, and a prioritised capex list.**	3	8 d		*Longest lead time because it needs utility data. Start collecting in month 1 even though the item lands in month 3.*

Roughly one person-week a month. That is the point: this is a consistency programme, not a project. Item numbers are the section's own; the order here is the order of dependency.

WORKING DOCUMENT FIVE

Readiness to raise the next fund

Sixteen metrics in four families, scored one to five and weighted. Section 14.12 is explicit that none of them is decisive on its own, and that the strongest predictor is not in the score at all. It is set out at the foot of this page.

Metric	Score	Weight	What a five looks like
Performance and realisation			
Realised track record		2	*Some realised deals, however small, with MOIC and IRR net to LP.*
Unrealised value support		2	*Third-party valuations, credible comps, conservative cap rates.*
Distribution consistency		1	*Distributions aligned with policy rather than with fundraising needs.*
Loss ratio		1	*Not zero losses — documented learning and bounded downside.*
Portfolio health			
Occupancy and collections versus market		1	
Leasing pipeline coverage of near-term expiries		1	*Ties to the expiry clustering in the underwriting workbook.*
Capex burn against plan, variance explained		1	*Ties to the Variance sheet.*
Debt metrics: maturity, hedging, covenant headroom		2	*Ties to the maturity ladder in the debt workbook.*
Platform and operations			
Reporting timeliness — 3 to 4 consecutive quarters		2	*On schedule, not merely delivered.*
Audit and tax delivery, including K-1s		2	
Data completeness and document readiness		1	*Leases, abstracts, capex, compliance.*
Team stability and succession for key-person risk		2	
Fundraising process			
CRM discipline: touchpoints and conversion funnel		1	
Referenceability of LPs, especially under stress		2	*The reference call that matters is the one about a bad quarter.*
Repeat capital from Fund I into Fund II		3	*14.12 calls this "a powerful signal". Weighted accordingly.*
Co-invest demand		1	

The decisive indicator

The chapter ends by saying the strongest predictor of Fund II success "is not a top-quartile year in a bull market". It is evidence of five things, and none of them scores neatly. Answer each with an example, not a rating.

Evidence	Your example
Planned multiple exits in advance.	
Preserved optionality with reserves and governance.	
Communicated early and precisely.	
Made hard decisions without improvisation.	
Improved the platform while operating the portfolio.	

A metric scoring two or below is a question you will be asked in diligence. Write the answer before you are asked it.