Short Form 2181 "Pre-screen" Instructions

Application Instructions

SBA provides an optional Pre-screen that prospective applicants may consider completing and submitting to
highly recommended for first-time applicants to the SBIC Program. Prospective applicants are invited to sub
feedback. The feedback is informal and non-binding, but it helps prospective applicants better understand S
own fit with the program.
The Pre-screen 2181 contains a subset of forms contained in the full MAQ. Specifically:

- The Overview
- Narrative
- Investment Track Record
- Principal Biographies

Completing this form can help prospective applicants prepare for the Management Assessment Questionnair
Application Fee. This information gives background context to aid SBA in providing informal feedback.

Once this Pre-screen (Short Form 2181) is completed, prospective applicants may submit the Pre-screen (Sh
SBIC_Applications@sba.gov with the subject line "Pre-screen: MM/DD/YYYY: Name of Prospective Applicant".
(SBICCT) Initiative the subject line should state "SBICCT Pre-screen: MM/DD/YYYY: Name of Prospective Appli

You will be notified of the receipt of your Pre-screen form via e-mail within 2 - 4 business days, and SBA may
informal and non-binding feedback related to SBA's underwriting criteria and program considerations.

OMB Approval No. ####-####

Expiration Date MM/DD/YYYY

SBA. This an optional step, but one that is
mit a Pre-screen Form 2181 and receive
BA's underwriting criteria and reassess their

e (MAQ) without incurring the cost of the MAQ

ort Form 2181) via e-mail to
If considering the SBIC Critical Technologies
cant".

follow up to offer the opportunity to share

[Applicant Name]

Applicant Overview Information					
License Type Requested	Standard Debenture S				
Requesting SBICCT Consideration?	Yes				
SBICCT Areas Covered					
Applicant Name	[Applicant Name]				
Investment Firm/Organization	[Applicant Firm Nam				
Manager Registered RIA?	No				
Fund Vintage Year	20xx				
Fund Jurisdiction / Fund Structure	Delaware				
Minimum Fund Size to Close					
Target Fund Size / Hard Cap	$ Target				
Amount Raised	$				
Paid in Capital	$				
Number of Closings Completed					
Date of First Close	dd/mm/yyyy				
Minimum L.P. Investment Size	$				
Investment from Sponsor % | $	%				
Investment Period (years)	x				
Fund Term (years)	x				
Target First Close Date	dd/mm/yyyy				
Target Final Close Date	dd/mm/yyyy				
Fund Style	Private Equity				
Fund Strategy	Hybrid Growth				
Security Allocation Targets	(i.e. 30% equity co-investment, 30% dir				
Geographic/Regional Focus	U.S. Nationwide				
Industry(s) of Focus	Healthcare				
	Pharma, Biotech & Life Sc				
Target Fund Return (Net)	Net IRR Ran	Low %	High %		Net MOIC Ra
get Fund Leverage (*Requested Levera*	Dollars	$			Ratio to Priv
Annual Management Fee	Example: Initial Investment Period = 2% of Unreduced Regula the Initial Investment Period = 2% of the cost of loans an companies.				
Other Fees	description and %				
Carried Interest	%				
Preferred Return (if applicable)	%				
Fund's Primary Benchmark					
Investment Principals	Last Name, First Name ; Last Nar				
Key Person(s)	Last Name, First Name ; Last Nar				

SUBMISSION DATES	
Pre-screen Submission Date	dd/mm/yyyy

timated Target Date for MAQ Submissi	dd/mm/yyyy

BIC
e]
Limited Partnership
$ Hard Cap
$
ect equity, 40% debt)
ciences
nge Low #.#X High #.#X
ate Capital %
atory Capital plus Assumed Leverage; After d investments for all "active" portfolio
ne, First Name
ne, First Name

Enter this info for Final License Applicatio n

Narrative

As of Date: dd/mm/yyyy

The narrative sheet and all requested attachments must be completed in full by all applicants.

Name of Applicant:	[Applicant Name]

1 Investment Strategy

1.1 Investment Strategy, Allocation and Transaction Types

Describe the fund's investment strategy and the types of transactions you intend to pursue. mission of the SBIC Program. Unless it does not apply, please address the following element

1. Asset class and strategy
2. Investment mix (funds, directs, equity, debt etc.)
3. Geographic focus
4. Industry focus
5. Stage of investment

For Reinvestor SBICs ONLY, include a description of the Underserved focus of the proposed

Response here. Limit to 500 words.

1.2 Approach to Portfolio Construction

Describe how you approach portfolio construction. Include details related to your allocation the fund, approach to follow-on investments (if applicable), reserves management and recy

Response here. Limit to 500 words.

1.3 Leverage at the Portfolio Company Level

Whether you are primarily an equity or debt investor, discuss your view of the use of levera evaluate when making an investment and state your preferred leverage level for a typical ir

1.4 Market Opportunity

Please explain the market dynamics underlying your strategy. What are the key macroecor flow for your strategy? What key factors will determine your opportunities for exit and liqui

1.5 Competition

Identify your direct competitors and explain your competitive advantage(s).

1.6 Risk Management

Please identify the major risks to the success of your investment strategy. Describe your approach to identifying and managing risk.

1.7 Economic Impact

The SBIC Program was created to facilitate the flow of long-term capital to American small b
the economic impact you expect your investment activities will have on American small bus
use data to support your response.

1.8 Restricted Use of Federal Funds

The following categories would result in either criminal liability for the SBIC and its manager
Pornography, Tobacco, Federally Illegal Substances, and International Reinvestment. Will yo

2 Firm and Team

2.1 Firm Overview

Please provide a brief history of your firm (including any affiliates) and describe all investing
the firm currently conducts, or will conduct in addition to managing the SBIC.

2.2 Team History

Briefly describe the origins of this team and any shared work history of the Principals. Pleas
together, and the organizations for which each principal worked at the time.

2.3 Team Cohesion

2.3.1 Are there any known conditions (health, litigation, financial, personal, etc.) of any of the Prir the firm or the SBIC? If yes, please provide an explanation below.

2.3.2 In the past 5 years, have any senior members of your team departed the firm? If yes, pleas their departure.

2.3.3 In the past 2 years, have any employees departed the firm? If yes, please provide their nan their departure.

2.3.4 In the past 2 years, have you onboarded new employees to the firm? If yes, please provide t

2.3.5 In the past 2 years, have you promoted any employees within your firm? If yes, provide thei

3 Investment Process

3.1 Overview of the Investment Process

Using a numbered list, please identify the steps in your fund's investment process from dea to portfolio monitoring and note any decision points. Please include no more than three to f sentences explaining each step.

1 Deal Sourcing and Origination

2 Initial Screening

3 Due Diligence

4 Portfolio Monitoring and Risk Management

5 Liquidity and Realizations

3.2 Investment Due Diligence

Describe your due diligence process, specifically indicating the type and extent of your inqu
research. Indicate how this responsibility is allocated among principals, staff, committees, p
from affiliated organizations and outside consultants.

3.3 Decision-Making Process

Describe the decision-making process used to make new investments, exit current investme
follow-on investments or otherwise manage the operations of the fund. In your response ple
to the following:

- Periodicity of Management Team Meetings
- Voting Power of Principals
- Number of votes required for approval/disapproval of new investments, follow-on inve
- Any special voting rights, such as veto rights, held by one or more principals
- Any requirements to obtain the consent of one or more principals

4 Portfolio Management & Monitoring

4.1 Investment Monitoring

Discuss the process you use to monitor investments in your portfolio. Please refer to the fol
items in your response:

- Reporting required of portfolio companies
- Firm’s approach to board representation
- Number of deals each principal will be responsible for at peak
- Periodicity of portfolio reviews
- Level of engagement with portfolio company management
- Provision of consulting services to portfolio company management
- Who and how will you work with the SBA so the Agency can effectively monitor the po

4.2 Underperforming Investments

Discuss your approach to monitoring and managing underperforming investments. Depend take to turn around poor-performing investments, decline follow-on funding or sell-off your p the principals' track records. Explain how and when you decide to mark-down or write-off yo applicant fund.

4.3 Portfolio Services

Describe the scope of all portfolio services, outside of portfolio company financing, you inte

Examples may include Operating Partners, Venture Partners, Marketing, Human Resources,

Do you intend to charge portfolio companies for services provided? If so, list the scope of all

SBA requires disclosure of this fact and the scope of potential charges to be disclosed to SB

4.5 Value Creation

Discuss your approach to influencing and maximizing partial and full realization opportunitie potential cash returns for long-term loans and debt investments. Depending upon the inve positive and aligned outcomes for both the portfolio concern and investors in the fund.

4.5 Regulatory Compliance

Describe the processes you will use to monitor your compliance with SBIC Program Regulati

identify the person(s) that will have primary responsibility for regulatory compliance.

5 Fund Economics

5.1 Carried Interest

Please provide a detailed description of the carried interest provisions of your fund, identify and explain your vesting policy. If applicable, explain how these provisions compare with yo

5.2 Management Fee

Please describe the formula you will use to calculate the management fee that the SBIC will
Describe any changes that may occur over the course of the fund's life. If requesting the in
fee offset calculation, please include the scope of the request in the space below as well.

5.3 Other Compensation

Provide details concerning any compensation, including bonuses, the principals earn outsid
partnership. Include a list of any funds for which (i) the principals are earning carried intere
firm is earning management fees.

5.4 Fee Allocation

Please describe your policy on the allocation of fees, such as transaction fees, investment b
monitoring fees, directors' fees, etc., between the SBIC and any management or other affili

6 Capitalization

6.1 Identify your anticipated minimum to close, and discuss how your investment strategy, fund
if you fail to reach your target fundraising level and must operate with this lower amount of

6.2 Placement Agent

Have you hired or do you intend to hire a Placement Agent? If "Yes", please enter the inform
In the space below, describe the duties called for by any placement agents. State who will b
the basis for compensation and how and when such compensation will be paid.

6.3 Investors

Please describe the anticipated composition of your investor base by the following investor

6.4 Third-Party Borrowing and Capital Call Lines

Do you have or do you intend to have any third party borrowing arrangements in place at a

If "Yes," please provide a description of your current or expected capital call and/or borrowi

(Please review 13 CFR 107.550)

7 Governance

7.1 Organizational Chart

Provide an organizational chart of all entities and persons related to the SBIC on one page. I

List below the ownership percentages for the Applicant's management company and Gener

7.2 Associates and Affiliated Entities – Service Providers

Read the definition of Associate (13 CFR 107.50) and Affiliate (13 CFR 121.103). Identify an and Affiliated individuals and entities that will provide services to the Applicant in connectio Applicant's activities as an SBIC, such as due diligence, deal sourcing, administration, or por consulting, and explain how they will be compensated.

7.3 Associates and Affiliated Entities – Organizational Structure

Read the definition of Associate (13 CFR 107.50) and Affiliated Entity (13 CFR 121.103). Ind
whether any individual or entity identified in your organizational chart or in the previous que
Associate or Affiliate of any other SBIC applicant or currently licensed SBIC.

7.4 Conflicts of Interest

Describe current or proposed methods to identify any potential conflicts of interest and the
for resolving those potential conflicts.

7.5 Advisory Committee or LPAC

Do you intend to have an LP Advisory Committee?

Do you intend to have any other type of corporate, advisory or governance committee?

If "Yes" to either question, please provide a brief description of the membership of each cor
Explain the role and responsibilities of each committee, and any compensation you expect t

7.6 Personal Co-Investments

Describe your policies regarding personal investments by principals and/or other employees
companies. If personal investments are permitted, please indicate whether "hard" dollars o
dollars will be used and discuss.

7.7 Limited Partner Co-Investments

Describe your policies regarding co-investments made by limited partners. If you plan to of
partners the opportunity to co-invest alongside the fund, explain the circumstances under w
offer would be made.

7.8 Other Co-Investments

Provide details regarding any Affiliates and/or Associates, as defined in 13 CFR 107.50 and 1
121.103, respectively, that are likely to participate in SBIC investments. Please specify the
affiliation or association of the entity.

7.9 Responsible Investing and Non-Discrimination Policies and Practices (Voluntary)

7.9.1 Do you maintain a formal ESG or Responsible Investing Policy?

7.9.2 If yes, what year was it established?

7.9.3 Do you maintain a formal Diversity, Equity and Inclusion Policy?

7.9.4 If yes, what year was it established?

7.9.5 As the mandate of the SBIC Program is to solve for capital access inadequacies for small bu
capital for small businesses and startups across industries, geographies and communities. W
please check the box of all that apply to your investment strategy and focus.

	Responsible Investment Themes
	Climate Change
	Clean Energy
	Biotech
	Domestic Supply Chain & Manufacturing
	Cyber Security
	Inclusive Workforce and Non-discrimination
	Water
	Nutrition
	Health and Wellness
	Education
	Financial Inclusion
	Rural, LMI, and Opportunity Zone Businesses
	Affordable Housing-Related Businesses

8 Attachments

Please refer to the "Attachment Checklist" tab and submit the documents listed and check t

9 SBIC Critical Technologies Initiative (SBICCT) Applicants Only

9.1 SBIC Critical Technologies (SBICCT) Applicants Only

The SBICCT Initiative's mission is to increase investment opportunities in technology compa
addressing today's most pressing national security supply chain needs. Please discuss the in
national security and please justify your response.

9.2 The SBICCT Initiative requires at least 60% of all private capital and SBA leverage finance co
Critical Technology areas the proposed fund intends to invest in. If there are allocation targe
please describe these industries or technology verticals and the intended allocation.

9.3 The SBICCT Initiative is in support of U.S. national security. Do you intend to accept investm
countries you will consider.

9.4 Does your firm currently maintain relationships in other firm managed funds with non-U.S. i
number of investor and $ assets by country.

9.5 Are <u>all</u> Principals, Investors and Associates of the Applicant willing to undergo a U.S. Departı

10 Drop-Down Funds and Business Development Company (BDC) SB

Is this a drop-down SBIC?

10.1 Capital

How much capital do you intend to drop-down from the parent fund to the SBIC?

$

10.2 Parent Fund

Describe the types of investments the parent currently makes or plans to make. Discuss ho
investments and future investments may either be different from the SBIC's investment stra
they will be similar. State what criteria will be utilized for determining into which fund an in
will be placed. Will you maintain a formal allocation policy to govern such decisions?

OMB Approval No. ####-####

Expiration Date MM/DD/YYYY

. Describe how this aligns with the Congressional mandate and
ts:

6. Company size
7. Investment/Deal size
8. Ownership/Control
9. Lead, co-investor or sole investor
10. Investment pace

fund and how this is reflected in the fund's investment strategy.

policy, targeted range for the number of portfolio company investments in
cling.

ge at the portfolio company level. Identify the key leverage metrics you
nvestment.

nomic or industry specific factors that will drive deal
dity?

businesses and startups. Please discuss
inesses and their employees. Please

rs or are otherwise prohibited under the program: Human Trafficking,
ou restrict from investing in the following areas?

, advisory or other business activities

se include dates, the context in which the Principals met, worked ncipals that might affect their ability to execute their duties to

e provide their names, titles and briefly explain the reasons for

nes, titles, tenure in years, and briefly explain the reasons for

their names, titles and tenure with the firm.

r names and titles pre- and post promotion.

l origination

four

iries and
personnel

ents, make
ease refer

estments, exits or other fund operations

llowing

ortfolio?

ling upon the investment strategy, explain the measures you
position. When possible, please provide specific examples from
our position and how this aligns with the valuation policy of the

nd to provide.

Recruiting, Back-office Services and Technology Applications and Services.

l services you might charge portfolio companies for. If charging for portfolio services,

IC portfolio companies as part of the terms of financing.

es for equity capital investments or approach to maximizing
stment strategy, explain the measures you take to influence

ons and manage recurring Regulatory Examinations. Please

the basis of the calculation (e.g. whole fund or deal-by-deal)
our previous funds and rationale for any changes.

be charged.
clusion of portfolio services charges in the management

e this
est, or (ii) the

anking fees,
ated entities.

d operations or other SBIC-related activities would change
capital.

nation under the "Service Providers" section of this Form 2181.
be responsible for payment of placement agent compensation,

segments: banks, pensions, endowments & foundations, family offices, high net worth individual investors, RIAs/fina

ny time prior to being licensed? "Yes" or "No"
ng arrangements. If this is a licensing application, provide any associated borrowing agreements.

nclude any parent funds(s) or side-car vehicles if relevant.
al Partner.

y Associates
n with the
rtfolio

licate
estion is an

procedures

nmittee, if known.
to provide to its members.

s in portfolio
or “soft”

fer limited
which such an

13 CFR

nature of the

sinesses, SBA seeks address persistent shortfalls in access to
While not a requirement for licensing to invest in these areas,

Challenges Address by Investing in Companies Developing Solutions in These Areas:

Mitigate and adapt to climate change

Accelerate the energy transformation to a low-carbon economy

Treatment and care of rare diseases

Supply chain disruptions and a fragile domestic manufacturing ecosystem

Improved cyber and data security

Persistent systemic racism has denied access and opportunities to build equity and participate in the labor force

Global water scarcity and water quality crisis

Reducing the global food production imbalance

Improved mental and physical health

Equality of access to information and educational technologies and services

Improving financial wellness and building equity for all Americans

Expanding access and opportunities to jobs, equity, services and technology

Largest shortfall in U.S. housing in 50 years

the box next to each item you have submitted.

nies, critical industries, and capital-intensive small businesses
mpact you expect your investment strategy will have on US

ompanies in one or multiple DoD Critical Technology Areas. Please detail the
ets by area, please describe. If you plan to invest in other technology areas,

ent from non-U.S. entities and/or individuals? If yes, please list the

nvestor entities and/or individuals? If yes, please list the countries and the

ment of Defense background check?

IC Applicants ONLY

ow those
ategy or how
vestment

ancial intermediaries, fund-of-funds, other entity investors. List anticipated percentages for each segment. List the names and c e for many Americans

contact information for investors who have "soft circle" committed to invest in the fund pending License approval

	OMB Approv **Expiration**
	License no.:

Investment Track Record

As of Date: dd/mm/yyyy

Name of Applicant: [Applicant Name]

Firm name	Investment Vehicle (Fund)	Vintage Year	Size of Vehicle (if applicable)	Fund Style
if applicable	*if applicable*	if applicable	*if applicable*	*if applicable*

Description

Please describe the investment experience presented above and why it is relevant to the SBIC proposal

Please describe your role in making the investments described above.

Footnotes:

Include any footnotes below.

Type of Investment	Deal Name (Company or Fund Investment)	Portfolio Company or Fund EIN #	Industry
	Washington Widgets		Manufacturing
	Lincoln Group		Business Services
	Jefferson Trucks		Trucking
	Kennedy Textiles		Textiles
	VanBuren Windows		Manufacturing
	Cleveland Communications		Communications
	Wilson Components		Electronics

(Note: If you need to insert additional rows, please do so above the last line)

State (Geography)	Sponsor (Name)	Lead Investor	Co-investors (Equity)	Co-Creditors (Debt)	Strategy	Venture/Expansion Stage
2-digit Abbreviation	*Firm or Fund Name*	*Firm or Fund Name*	*Firm or Fund Name*	*Firm or Fund Name*		
					Mezzanine	
					Special Situations	
					Growth Stage	
					Hybrid Debt/Equity	
					Later Stage	
					Later Stage	
					Later Stage	

Equity Security	Debt Security / Loan	Purpose of Financing	Date of Inv.	Date of Full or Partial Exit	Invested Capital	Distributed (Realized) Value	Unrealized Value
						The amount of capital distributed to Fund from the investment to date.	
	Sub-Debt		Dec-05	Jun-09	$2.5 M	$3.1 M	$0.0 M
	Sub-Debt		Mar-06	Oct-10	$1.8 M	$2.4 M	$0.0 M
Common Equity			Apr-06	Jun-07	$5.3 M	$3.5 M	$0.0 M
	Sub-Debt		Jun-06		$1.5 M	$0.8 M	$2.0 M
	Second Lien		Feb-07		$2.4 M	$1.0 M	$1.5 M
	Sub-Debt w/Warrants		Aug-07		$3.1 M	$2.1 M	$1.8 M
	Senior Debt		Aug-07		$2.0 M	$1.8 M	$0.5 M
				TOTAL:	$18.6 M	$14.7 M	$5.8 M

Current Reported Value	Total Value	Cash Multiple (MOIC)	IRR	Sourced By	Led/Co-led Deal
Current reported value for the investment (based on current fair market value / mark-to-market value).	*"Total Value" is equal to "Current Reported Value" + "Amount Distributed".*			*Last Name, First Name*	
		1.24x	15.4%		
		1.33x	14.2%		
		0.66x	(15.0%)		
		1.87x	21.0%		
		1.04x	8.0%		
		1.26x	16.0%		
		1.15x	6.0%		
		1.10x	7.5%	<-- Gross IRR	
			2.5%	<-- Net IRR (Gross IRR net of fees)	

Board or Board Observer Seat
if applicable

Company Financials at Time of Full Exit OR as of Valuation Date

Data as of MM/DD/YYYY	Transaction Type	Valuation Methodology	Number of Employees	Enterprise Value	LTM Revenue

LTM EBITDA	Cash & Equivalents	Total Debt/Loans	Ownership % at Full Exit or as of Valuation Date
			fully diluted

Other Key Personne

Financial Analysis/Market Research
Last Name, First Name (if applicable)

el Involved in Deal

Lead Structuring	Lead Due Diligence	Made Recommendation to Investment/Credit Committee	Investment/ Credit Committee	Negotiation	Officer of the company	Board of Directors	Board Observer	Exit Process
Last Name, First Name (if applicable)	*Last Name, First Name (if applicable)*	*Last Name, First Name (if applicable)*	*Last Name, First Name (if applicable)*	*Last Name, First Name (if applicable)*	*Last Name, First Name (if applicable)*	*Last Name, First Name (if applicable)*	*Last Name, First Name (if applicable)*	*Last Name, First Name (if applicable)*

Principal Biographies

As of Date: dd/mm/yyyy

Name of Applicant:	[Applicant Name]

For each principal please provide a brief biography and a description of his/her rol
below, ensuring you include all previous employment and associated time periods
bios" tab in this workbook.

Template

First Name Last Name *Title*

First Name Last Name is one of three General Partners at XYZ Capital and a meml
Capital in 1995 as an Associate, was promoted to Partner in 2002 and General Par
Name was an Associate with ABC Asset Management, where s/he worked from 19
Investment Banking Analyst at DEF Associates in 1990.

Last Name earned a B.A. in Economics from ABC College in 1990 and an MBA fron

1 *First Name* *Last Name*

2 *First Name* *Last Name*

3 *First Name* *Last Name*

4 *First Name* *Last Name*

5 *First Name* *Last Name*

6 *First Name* *Last Name*

7 *First Name* *Last Name*

8 *First Name* *Last Name*

9 *First Name* *Last Name*

le within the team. Use the suggested format
;. Enter this information on the "Principal

oer of the investment team. S/he joined XYZ
rtner in 2005. Prior to joining XYZ Capital, *Last*
93 to 1995. S/he began her/his career as an

n GHI University in 1993.

Title

Title

Title

Title

Title

Title

Title

Title

Title