



Due Diligence Framework for Alternative Placements

A field-ready checklist for private placements, land syndicates, SPVs, private credit, agribusiness pools, and other off-market opportunities.

DESK SUMMARY

Alternative placements can improve diversification, but the manager, documents, custody, valuation, and exit mechanics are often more important than the underlying asset.

01

Evidence-led positioning

02

Risk-first execution

03

East Africa context

BRAND

Bengula Inc

PREPARED

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USE

Client education

STATUS

Public download

Use This Before You Send Money

The purpose of diligence is not to prove that a deal is exciting. It is to prove that the deal survives boring questions: who owns the asset, who controls cash, who marks value, who can sell, who reports performance, and who is accountable if the plan fails.

Decision rule: no subscription, deposit, contribution, or capital call should move until the investor can independently verify registration or exemption basis, ownership documents, bank/custody flow, fees, related-party conflicts, and exit terms.

The Seven-Gate Review

Gate	Evidence to request	Pass standard
Sponsor	Profiles, track record, audited history, references, adverse media search, litigation search.	The people asking for capital have a verifiable history and no unresolved integrity concern.
Structure	Term sheet, trust deed/SPV documents, shareholder agreement, offering memorandum, tax opinion.	Rights, obligations, voting, transfer, and wind-up terms are written in enforceable documents.
Asset	Title, leases, invoices, purchase contracts, licenses, insurance, technical reports.	Underlying asset exists, is legally controlled, and can produce the claimed cash flow.
Cash control	Bank account mandate, signatories, escrow/custody arrangement, payment waterfall.	Investor funds cannot be casually redirected by the sponsor or a related party.
Valuation	Methodology, assumptions, comparable evidence, independent valuation where relevant.	Value is supported by market or income evidence, not merely sponsor-stated.
Liquidity	Lock-up, redemption, transfer rights, secondary sale process, penalties, gates.	Exit limits are explicit and suitable for the investor's time horizon.
Reporting	Frequency, content, audit rights, covenant package, breach remedies.	Investors receive enough evidence to monitor performance and intervene early.

Questions That Change The Conversation

- Which regulated entity, advocate, trustee, or administrator is responsible for investor records?
- What exact document proves the sponsor can sell, lease, pledge, farm, build on, or collect from the asset?
- Where will investor cash sit before deployment, and who must approve movement out of that account?
- Which fees are charged at entry, during management, on exit, and on performance?
- What happens if the sponsor dies, loses key staff, is sued, or misses two reporting periods?

Risk Scoring

Score	Meaning	Action
1	Institutional-grade evidence, clean structure, strong reporting, aligned incentives.	Proceed to suitability and sizing review.
2	Mostly clear, with fixable document gaps or limited operating history.	Proceed only after conditions are closed in writing.
3	Promising asset but weak controls, valuation uncertainty, or narrow exit path.	Reduce size, require protections, or pause.
4	Material legal, custody, conflict, or reporting weakness.	Do not fund until independently remediated.
5	Unverified ownership, pressure selling, guaranteed returns, or evasive sponsor.	Reject and document why.

Do not accept urgency as a substitute for diligence. Scarcity language, guaranteed returns, incomplete documents, or requests to pay into personal accounts are practical stop signs.

Selected Sources

Institutional Limited Partners Association, Due Diligence Questionnaire

<https://ilpa.org/resources-tools/resource-library/due-diligence-questionnaire/>

Capital Markets Authority Kenya, Alternative Investment Fund

<https://www.cma.or.ke/alternative-investment-fund/>

U.S. SEC, Adviser due diligence for alternative investments

<https://www.sec.gov/newsroom/whats-new/risk-alert-selecting-alternative-investments-managers>

World Bank, Kenya Economic Update series

<https://www.worldbank.org/en/country/kenya/publication/kenya-economic-update-keu>

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