

The New Era of Cyber Portfolio Oversight

Diligence-Based Approach



Ad-hoc Approach



Programmatic Approach

I. Objective	Identify any showstoppers during the diligence process	Manage major downside risk	Value creation
II. Risk Understanding	Disjointed; no tracking of issues across the portfolio, or longitudinally by PortCo	List of basic controls against which PortCos are occasionally surveyed	Single framework and source of data meaningful across the lifecycle of the investment and across the portfolio
III. Scope	Target by target	Subset of PortCos (usually those considered to have high inherent risk)	All holdings, including minority investments
IV. Philosophy	Least effort and least amount of “invasiveness” towards PortCos	Reducing large risks where PortCos have been unable or unwilling to do so	Oversight strategy driven by LP needs, and tailored to the investment thesis of each PortCo
V. Responsibility	Deal team drives diligence efforts, although findings not necessarily actioned	Varies (e.g. Operating Partner, PE firm CISO, etc.)	<ul style="list-style-type: none"> • Formal oversight responsibility (often a subject-matter expert) • Senior-level governance • Dedicated funding