

Vision Capital Advisors, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Vision Capital Advisors, LLC (“the Adviser”). If you have any questions about the contents of this brochure, please contact us at 212-849-8225. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about the Adviser is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

This brochure contains information about the Adviser. Material changes to this brochure since March 2012 include that the Adviser is no longer managing the closed end Guernsey fund previously listed on the AIM. In addition, Carl Kleidman resigned as an employee and entered into a Consulting Agreement with the Adviser to facilitate the transition of his responsibilities. Adam Benowitz has assumed more direct oversight of the investment staff. Andrew Merkatz, a senior investment staff member, and others have assumed responsibility for monitoring and seeking liquidity opportunities for those portfolio companies for which Mr. Kleidman was previously responsible. In addition, Eric Salzman and Monarch Capital have been retained as consultants to assist in identifying exit strategies for the Funds.

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Advisory Business

The Adviser provides investment advisory services on a discretionary basis to private investment funds (“Clients”). The private investment funds are closed to new investors and are not currently making new investments other than certain follow-on investments to the extent permitted by the Clients relevant governing documents. Investment objectives are detailed in the relevant offering documents for each of the Clients.

The Adviser was founded in 2005 and registered with the SEC as an investment adviser in March 2006. The Adviser is owned by Adam David Benowitz, Randolph Baer Cohen, and the Tudor

Rose Trust. As of December 31, 2012 the Adviser managed approximately \$190,600,000 on a discretionary basis on behalf of two clients.

Fees and Compensation

One of the closed private investment funds managed by the Adviser currently charges its investors a quarterly management fee of 0.50% (i.e. 2.0% per annum) as of the beginning of each calendar quarter. Additionally, after the fund's investors achieve an 8% cumulative, non-compounded annual preferred return on their total invested capital through distributions made by the fund's General Partner, all subsequent distributions are allocated 80% to the investors and 20% to the fund's General Partner.

The other closed private investment fund offered three different fee options. Under each option, investors are charged a fixed management fee as of the beginning of each calendar quarter. Under the first option, the management fee for each quarter is an amount equal to 0.50% (i.e., 2% per annum) of such investor's net assets invested in the fund. In addition, the Adviser (or its affiliate) receives performance compensation equal to 20% of such investor's net profits, if any, subject to a "loss carry forward" provision (the "Incentive Allocation"). Under the second option, investors are charged a management fee for each quarter equal to 0.375% (i.e., 1.5% per annum) and an 18% Incentive Allocation, subject to a "loss carry forward" provision. Investors participating in option three are charged a management fee for each quarter equal to 0.50% (i.e. 2% per annum) of such investor's net assets invested in the fund. In addition, the Adviser (or its affiliate) receives a 20% Incentive Allocation, subject to a "loss carry forward" provision. All Incentive Allocations are paid only on realized gains.

The Adviser, in its sole discretion, may waive or reduce the management fee and/or the Incentive Allocation with regard to investors in either respective private investment fund that are employees or affiliates of the Adviser, relatives of such persons, and for certain strategic investors.

The Adviser (or its affiliate) deducts fees directly from all Client accounts, as applicable. In addition to the management fee and Incentive Allocation, the Clients also incur trading costs, custodial fees, and other expenses as described in the relevant fund offering documents. Please refer to the Brokerage Practices section for additional disclosure regarding trading costs. To the extent that Clients are invested in mutual funds, these funds pay a separate layer of management, trading, and administrative expenses.

The Adviser's principals, affiliates or employees may serve as directors of companies in which the private investment funds are invested. In addition, the Adviser or its affiliates may provide services to such companies which may include financial consulting or advice. Any fees or compensation received by the Adviser, its principals, affiliates or employees for such services may be deemed compensation to such persons and not constitute income to the private investment fund, however, the Adviser has agreed to offset its management fee by an amount equal to fifty percent (50%) of any fees or compensation received in connection with such services.

Performance Based Fees and Side-by-Side Management

As stated in the Fees and Compensation section above, all Clients are charged an Incentive Allocation or a performance fee, as applicable.

The fact that the Adviser is compensated based on trading profits may create an incentive for the Adviser to make investments on behalf of Clients that are riskier or more speculative than would be the case in the absence of such compensation.

Types of Clients

The Adviser provides investment advisory services on a discretionary basis to private investment funds. The private investment funds are closed to new investors and therefore no minimum investment limits are currently imposed.

Methods of Analysis, Investment Strategies and Risk of Loss

Investment objectives are detailed in the relevant offering documents for each of the Clients. The private investment funds are not currently making new investments however, their original investment objective was to achieve risk-adjusted returns by making directly negotiated non-controlling investments in public and non-public companies. The objective focuses primarily on providing alternative funding options for micro to small publicly traded companies with market capitalizations generally below \$200 million. Additional follow-on investments in the private investment funds' existing portfolio companies consisting of, but not limited to, the exercise of warrants or options and the conversion of various convertible securities can be made where the Adviser deems it advisable to do so to mitigate impairment of the private investment funds' assets.

The investments held by the Clients primarily consist of equities, convertible preferred securities, fixed and convertible debt instruments, and cash or cash equivalents, as well as other securities. The Clients generally invested in such instruments at a discount to their trading price in the public markets.

In analyzing any follow-on investments for the Clients, the Adviser relies on fundamental analysis of the business, thorough due diligence of the company and its management relying on all public sources of information and an onsite inspection of the company, when applicable. The Adviser does not rely on technical trading information.

The Clients may utilize leverage in certain circumstances as described in their relevant offering documents.

Investing in securities involves risk of loss that all Clients and investors should be prepared to bear. Additional detail on the risks involved with the investment strategies employed by the Adviser can be found in each Client's offering documents.

Disciplinary Information

The Adviser and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

The general partners of each of the relevant Clients are affiliated with the Adviser by common ownership.

Carl Kleidman resigned as a Managing Director of the Adviser effective January 31, 2013 and has entered into a Consulting Agreement with the Adviser. Robert Thomson, a continuing senior investment staff member of the Adviser, is also currently an officer and employee of a newly formed advisor that is not affiliated with the Adviser. It is not anticipated that these other activities will distract Mr. Thomson from his day to day responsibilities on behalf of the Adviser.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act for their benefit. All personnel of the Adviser must put the interests of the Adviser's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of the Adviser must also comply with all federal securities laws.

The Adviser has adopted a Code of Ethics governing personal trading by its personnel. Among other requirements, the Code of Ethics requires personnel who have access to client portfolio information or the Adviser's non-public securities recommendations to pre-clear certain personal securities transactions and to report their transactions and holdings to the Adviser, and the Adviser is required to review such reports. The Code of Ethics prohibits employee investments in US public equity securities of companies with market capitalizations under \$1 billion. The Code of Ethics permits the Chief Compliance Officer to grant waivers relating to, among other things, holding periods and the frequency of trades. Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Lisa Snow (the Adviser's General Counsel and Chief Compliance Officer) via email at l.snow@visicap.com.

The Adviser and its related persons may invest their personal funds in the Clients, and, therefore, such persons may hold the same securities as other investors in the Clients. In addition, the Adviser and its related persons may own securities in their personal accounts that are also recommended by the Adviser to the Clients.

Brokerage Practices

In selecting brokers or dealers to execute transactions for a Client, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Adviser is not required to negotiate "execution only" commission rates, and thus a Client may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate. In no case will the Adviser make binding commitments as to the level of brokerage commissions it will allocate to a broker, nor will it commit to pay cash if any informal targets are not met. In selecting a broker, the Adviser makes a good faith determination that the transaction fees are reasonable in comparison to the value of the services provided. The Adviser will take into account, among other factors, the financial stability and reputation of brokerage firms, financing and counterparty factors, ability to execute difficult trades, and access to markets, and the research, brokerage or related services provided by such brokers.

The Adviser limits the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between the Adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

In some instances, the Adviser may receive a product or service that may be used only partially for functions within Section 28(e) (e.g. an order management system, trade analytical software or proxy services). In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to

administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources.

When the Adviser uses Client brokerage commissions to obtain research or other products or services, the firm receives a benefit because it does not have to produce or pay for the research, products, or services. Therefore, the Adviser may have an incentive to select or recommend a broker-dealer based on the interest of receiving research products and services, rather than on the Clients' interest in receiving the most favorable execution.

Research and brokerage services obtained by the use of commissions arising from a Client's portfolio transactions may be used by the Adviser in its other investment activities and thus, a Client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

The Adviser may place transactions with a broker or dealer that (i) provides the Adviser (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to a Client or other product advised by the Adviser (or an affiliate), if otherwise consistent with seeking best execution; provided the Adviser is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors. In addition, the Adviser may attend certain conferences for which the related costs are paid for by the conference's sponsor. The sponsors are compensated via a fee paid by the companies which present at the conference. Companies that present at the conferences attended by the Adviser include current and investments of the Clients.

Although the Adviser will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services creates a potential conflict of interest between the Adviser and its clients.

When appropriate, the Adviser may, but is not required to, aggregate Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades. If the Adviser decides not to aggregate a particular trade, Clients may, on average, pay higher brokerage costs.

In order to evaluate the execution quality received by the Clients, the Adviser's trading staff completes a semi-annual review of all trading activity which evaluates, among other things:

- average commission rate charged by each broker;
- the services provided by the broker other than execution (e.g., research, other services used in the management of client accounts, Adviser employees' conference attendance paid by the broker);

- whether the execution and other services provided by the broker were satisfactory (taking into account such factors as the speed of execution, the certainty of execution and the ability to handle large or special orders);
- reasons for using a particular broker (e.g., research, execution only, etc.);
- unusual trends (such as higher than usual commission rates or a large volume of business directed to an unknown broker); and
- potential conflicts of interest (such as directing brokerage to a broker who makes client referrals to the Adviser).

In the event that the Clients incur a trade error as a result of the Adviser's gross negligence, willful misconduct, or fraud, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the Client incurs no loss. Other trade errors will be borne by the Clients.

Review of Accounts

Mr. Adam Benowitz, Senior Managing Director and Chief Investment Officer of the Adviser and portfolio manager to the Clients, is aware of the holdings in each Client's account on a continuous basis. These holdings are monitored by Mr. Benowitz in light of trading activity, significant corporate developments and other activities which may dictate a change in portfolio positions.

Private investment fund investors receive annual audited financial statements and periodic reports from their respective fund administrator.

Client Referrals and Other Compensation

The Adviser's principals, affiliates or employees may serve as directors of companies in which the private investment funds are invested. In addition, the Adviser or its affiliates may provide services to such companies which may include financial consulting or advice. Any fees or compensation received by the Adviser, its principals, affiliates or employees for such services will generally be compensation to such persons and shall not constitute income to the private investment fund, however, Adviser has agreed to offset its management fee by an amount equal to fifty percent (50%) of any fees or compensation received in connection with such services.

The Adviser and its related persons do not compensate any individual or entity for client referrals.

Custody

This item does not apply to the Adviser.

Investment Discretion

Except for the general investment guidelines set forth in each Client's respective offering documents, there are no limitations on the discretionary authority of the Adviser.

Voting Client Securities

The Adviser maintains proxy voting authority over all Client accounts. The Adviser generally will not exercise any proxies unless it's Clients own more than 1% of the outstanding voting securities of the issuer in question as of the record date. The Adviser will vote proxies in the best interests of each particular Client, which may result in different voting results for proxies for the same issuer. The Adviser believes that voting proxies in accordance with the following guidelines is in the best interests of its Clients:

- Generally, the Adviser will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.
- For other proposals, the Adviser determines whether a proposal is in the best interests of its Clients on a case by case basis taking into account those factors deemed relevant by the Adviser.

The Adviser will identify any conflicts that exist between the interests of itself and its Clients or investors. This examination will include a review of the relationship of the Adviser and its affiliates with the issuer of each security and any of the issuer's affiliates to determine if the issuer or a related person of the issuer has a relationship with the Adviser. The Adviser will document all conflicts identified. If a material conflict exists, the Adviser will determine whether voting in accordance with the voting guidelines and factors described above is in the best interests of the Client.

Investors may contact Michael Mosiello, via e-mail at m.mosiello@visicap.com in order to obtain information on how the Adviser voted such Client's proxies, and to request a full copy of these policies and procedures. If a client requests this information, Michael Mosiello will prepare a written response to the client that lists, with respect to each voted proxy about which the Client has inquired, (a) the name of the issuer; (b) the proposal voted upon, and (c) how the Adviser voted the Client's proxy.

From time to time, the Adviser may receive notices regarding class action lawsuits involving securities that are or were held by the Clients. As a matter of policy, the Adviser will make a determination of the costs involved, the potential gains involved, the relative voting power of the Clients affected and other circumstances in making the decision. The Adviser's goal is to weigh the potential gains to the Clients' shareholders against the respective costs involved. If the

Adviser determines that its Clients will participate, the proceeds of all class actions shall inure to the benefit of the relevant Client, and therefore, to the benefit of the then current investors.

Financial Information

The Adviser has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage its Clients.