

**INVESTMENT ADVISER BROCHURE  
PART 2A OF FORM ADV**

**VICENTE CAPITAL PARTNERS, LLC**

**11726 San Vicente Blvd.  
Suite 300  
Los Angeles, CA 90049  
(310) 826-2255  
<http://www.vicentecapital.com>**

**March 29, 2022**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Vicente Capital Partners, LLC (f/k/a Growth Equity Advisors, LLC) (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (310) 826-2255. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

The Management Company is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding the Management Company is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Material Changes .....</b>	<b>1</b>
<b>Advisory Business .....</b>	<b>2</b>
<b>Fees and Compensation .....</b>	<b>3</b>
<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>6</b>
<b>Types of Clients .....</b>	<b>7</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>7</b>
<b>Disciplinary Information.....</b>	<b>22</b>
<b>Other Financial Industry Activities and Affiliations.....</b>	<b>22</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>22</b>
<b>Brokerage Practices .....</b>	<b>24</b>
<b>Review of Accounts .....</b>	<b>25</b>
<b>Client Referrals and Other Compensation.....</b>	<b>26</b>
<b>Custody .....</b>	<b>26</b>
<b>Investment Discretion .....</b>	<b>26</b>
<b>Voting Client Securities.....</b>	<b>26</b>
<b>Financial Information.....</b>	<b>27</b>

## **MATERIAL CHANGES**

This Brochure updates the Form ADV Part 2A filed on March 30, 2021. The changes in this annual amendment are solely clarifying or updating changes to existing disclosures.

## ADVISORY BUSINESS

Vicente Capital Partners is a private investment management firm, including several investment advisory entities and other organizations affiliated with the Management Company (collectively, “**Vicente**”).

The Management Company, a Delaware limited liability company and a registered investment adviser, provides discretionary investment advisory services to private investment funds. The Management Company commenced operations in August 2005.

Growth Equity Advisors, L.P., a Delaware limited partnership (the “**General Partner**” and, together with the Management Company, the “**Advisers**”), is an affiliated adviser of the Management Company. The Advisers’ clients include the following private equity funds (each, a “**Partnership**” and, collectively, the “**Partnerships**” and, together with any future private investment funds to which Vicente and/or its affiliates provide investment advisory services, “**Private Investment Funds**”):

- Vicente Capital Long-Term Appreciation Fund, L.P. (“**VCLTAF**”); and
- Vicente Capital Partners Friends’ Fund, L.P. (formerly GEF Friends’ Fund, L.P.) (the “**Friends Fund**”).

The General Partner serves as the general partner to each of the Partnerships and is authorized to make the investment decisions on behalf of the Partnerships. The final closing of the Friends Fund took place in January 2009, and the final closing of VCLTAF took place in January 2020. The Management Company provides the day-to-day advisory services to the General Partner and the Partnerships. The General Partner is subject to the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. This Brochure describes the business practices of the Advisers which operate as a single advisory business. References contained in this Brochure to the strategy and operations of the General Partner should be read to include the activities of the Management Company and other Vicente affiliates that collectively engage in the management of the Partnerships’ portfolio companies.

The Partnerships invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” The Advisers’ investment advisory services to the Partnerships consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted under the Governing Documents (as defined below) of the Partnerships. From time to time, the senior principals and/or other personnel of the Advisers or their affiliates expect to serve on a portfolio company’s boards of directors (or similar bodies) or otherwise act to influence control over management of portfolio companies held by the Partnerships.

The Advisers’ advisory services for the Partnerships are detailed in the relevant private placement memoranda or other offering documents or statements (each, a “**Memorandum**”),

limited partnership or other operating agreements (each, a “**Partnership Agreement**” and, together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” The General Partner has retained the Management Company to provide investment advisory services to the Partnerships. The advisory services of the Management Company are described herein. Investors in the Partnerships (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the applicable Partnership, but in certain circumstances may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between the Advisers and any investor. The Partnerships or the Advisers have entered into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

As of December 31, 2021, the Management Company managed approximately \$170,755,153 in client assets on a discretionary basis. The Management Company is principally owned by Joseph E. Ferguson, Nicholas C. Memmo and Klaus E. Koch.

## **FEES AND COMPENSATION**

In general, the General Partner receives a management fee (“**Management Fee**”) and carried interest in connection with the provision of advisory services to VCLTAF and the Friends Fund. The General Partner or other Vicente entities or affiliates from time to time receive additional compensation in connection with management and other services performed for portfolio companies (e.g., monitoring, transaction fees, closing fees, breakup fees, directors fees and other fees) of VCLTAF and such additional compensation will generally offset in whole or in part the Management Fees otherwise payable to the General Partner in accordance with the relevant Governing Documents. Investors in VCLTAF also bear certain fund expenses.

### **Management Fee**

During VCLTAF’s first four years, VCLTAF will pay (and investors in VCLTAF will bear on a pro rata basis) an annual Management Fee equal to a fixed amount on a quarterly basis in advance. Thereafter, the annual Management Fee will be equal to a percentage of capital contributions used to fund investments that have not been disposed of or permanently written-down, as more fully described in the Governing Documents. VCLTAF investors also bear organizational expenses of VCLTAF as well as certain expenses of VCLTAF’s lead investors, subject to the terms of the Governing Documents.

The Management Fee will be payable over the term of VCLTAF. Installments of the Management Fee payable for any period other than a full three-month period are generally adjusted on a pro rata basis according to the actual number of days in such period. Most of the Management Fees are ultimately paid over by the General Partner to the Management Company pursuant to a management agreement. Where the Governing Documents calculate Management Fees based on the amount of investment contributions, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant

Governing Documents. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

During its investment period, the Friends Fund paid the General Partner, quarterly in advance, a Management Fee equal to 2.0% on an annual basis of the Friends Fund's aggregate third-party investor capital commitments (the "**Commitments**"). Investors that participated in a closing after the initial closing bore the Management Fee from the initial closing plus interest. Commencing with the first Management Fee due date after the expiration of the investment period or earlier upon the occurrence of certain events as set forth in the Governing Documents, the Management Fee was equal to 2.0% of the aggregate capital contributions of third-party investors used to fund investments that have not been disposed of or completely written off; provided that partial dispositions of portfolio company investments shall only be treated as dispositions to the extent the fair market value of the Friends Fund's interest in such portfolio company is less than the Friends Fund's aggregate investment contributions made with respect thereto. The General Partner has agreed, as of April 1, 2020, to reduce the Management Fee payable by the Friends Fund to 1.5% on an annual basis of the aggregate capital contributions of third-party investors used to fund investments that have not been disposed of or completely written off (subject to the proviso regarding partial dispositions set forth above). The Management Fee will be payable until final distribution of the Friends Fund's assets. Installments of the Management Fee payable for any period other than a full three-month period are generally adjusted on a *pro rata* basis according to the actual number of days in such period. Most of the Management Fees are ultimately paid over by the General Partner to the Management Company pursuant to a management agreement. The Management Fee will be reduced by any organizational expenses paid by the Friends Fund in excess of the expense cap specified in the Governing Documents.

With respect to VCLTAF, the Management Fee will be reduced by a specified portion of (i) closing fees, monitoring fees, directors' fees, financial consulting or advisory fees or other similar fees earned by the General Partner or certain of its affiliates from portfolio companies; (ii) any transaction fees paid by portfolio companies to the General Partner or certain of its affiliates; and (iii) any break-up fees from transactions not completed that are paid to the General Partner or certain of its affiliates (such fees, "**Supplemental Fees**") as more fully described in the Governing Documents. Unless otherwise agreed with investors, Supplemental Fees generally will be payable without further offset during term extensions, even if Management Fees are reduced or eliminated during the extended term. The General Partner or its affiliates generally reserve the right to retain the remaining portion of such Supplemental Fees. To the extent that such an offset credit would reduce the Management Fee for the relevant period below zero, the credit generally will be carried forward for future application against payable Management Fees. To the extent any such excess remains unapplied upon dissolution of VCLTAF, investors in VCLTAF generally will receive its share of such unapplied excess, unless such investor elects not to receive its share.

### **Carried Interest**

The General Partner will receive a carried interest with respect to VCLTAF equal to a specified percentage of realized profits, as more fully described in the Governing Documents. The carried interest distributed to the General Partner is subject to a potential giveback at the end of life of VCLTAF if the General Partner has received excess cumulative distributions. The Friends Fund is not subject to a carried interest.

## Other Information

The General Partner is permitted to exempt certain investors in a Partnership from payment of all or a portion of Management Fees and/or carried interest, if applicable, including the General Partner and any other person designated by the General Partner, such as “friends and family” of the General Partner or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by the General Partner and/or its affiliates, through other Private Investment Funds which co-invest with the Partnerships or through other means.

The Partnerships generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the life of the relevant Partnership, and investors generally are not permitted to withdraw or redeem interests in the relevant Partnership.

Principals or other current or former employees of Vicente generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the General Partner or its affiliates.

In addition to the Management Fee and carried interest payable to the General Partner, each Partnership bears certain expenses. As set forth more fully in the Governing Documents, each Partnership bears all Partnership expenses to the extent not borne or reimbursed by portfolio companies, as permitted under the applicable Governing Documents, including: legal, auditing, consulting, financing, accounting (including for current or former internal Management Company staff) and custodian fees and expenses; expenses associated with the relevant Partnership’s financial statements, tax returns and Schedule K-1s; out-of-pocket expenses incurred in connection with transactions not consummated; expenses of any advisory committee of industry professionals, any advisory committee of limited partners (“**LP Committee**”) and annual meetings of the limited partners; insurance; other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); any taxes, fees or other governmental charges levied against a Partnership; closing dinners; costs of conferences (including related travel, lodging or meals) at which either industry trends or specific investment opportunities are discussed; and expenses relating to hiring consultants or portfolio company personnel (e.g., headhunter fees, background checks or relocation expenses). The Partnerships also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the General Partner and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Partnership, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Partnership are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Partnership and the portfolio

company. Each Partnership also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to such Partnership's strategy, including in Side Letters relating thereto. Additionally, subject to the Governing Documents, a Partnership typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Partnership invests. Excluded from the Partnership expenses are the normal overhead expenses of the General Partner and the Management Company in connection with their day-to-day operations and managing, originating and monitoring investments, including compensation for their employees (other than as paid by portfolio companies), expenses for office space and other similar expenses specified in the Governing Documents. From time to time, Management Company employees may leave the Management Company either permanently or on an interim basis in order to serve in certain roles at portfolio companies. In such event, the portfolio company will pay such person's compensation and the Management Company will not treat such person as Management Company personnel or subject any compensation received by such person to a Management Fee offset. However, the Management Company is permitted in certain cases to reduce amounts payable as Supplemental Fees in whole or in part. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices."

In certain circumstances, one Partnership is expected to pay an expense or obligation common to multiple Partnerships (including, without limitation, legal expenses for a transaction in which all such Partnerships participate, or other fees or expenses in connection with services the benefit of which are received by other Partnerships over time), and be reimbursed by the other Partnerships for their share of such expense or obligation, without interest. While the Management Company believes such circumstances to be highly unlikely, it is possible that one of the other Partnerships could default on its obligation to reimburse the paying Partnership. In certain circumstances, the Management Company, the General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Partnerships, without interest, to which such expenses relate.

The Management Company and/or its affiliates generally have discretion over whether to charge Supplemental Fees to a portfolio company and, if so, the rate, timing method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Supplemental Fees generally will give rise to potential conflicts of interest between the Partnerships, on the one hand, and the Management Company and/or its affiliates, on the other hand.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," the General Partner receives a carried interest allocation on certain profits of VCLTAF. The Advisers also advise the Friends Fund, which was formed to allow certain investors associated with Advisers or their affiliates to invest in portfolio investments made by the Partnership and other Private Investment Funds. The Friends Fund is not subject to carried interest. This practice is expected to present a potential conflict of interest because the Advisers have an incentive to favor accounts for which they receive a performance-based fee. Vicente addresses this potential conflict of interest by investing the Friends

Fund in parallel with VCLTAF, which is subject to carried interest. Such investments are generally made and disposed of on the same terms and on a pro rata basis.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Partnership than it would otherwise make in the absence of such arrangement, although the Advisers generally consider performance-based compensation to better align its interests with those of its investors.

## **TYPES OF CLIENTS**

Vicente provides investment advice solely to its Private Investment Fund clients, including the Partnerships, and references throughout this Brochure to “clients” and to Vicente’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Private Investment Fund clients, including the Partnerships, generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “**Investment Company Act**”). The investors participating in Private Investment Funds generally include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of the Advisers and their affiliates, as well as executives of former or current portfolio companies.

The Partnerships generally have a minimum investment amount as specified in their respective Governing Documents. The General Partner reserves the right to waive such minimum investment amount. Interests in VCLTAF generally are offered and sold solely to investors that are (i) “accredited investors,” as defined under Regulation D of the Securities act of 1933, as amended, and the rules and regulations promulgated thereunder, and (ii) either “qualified purchasers” or “knowledgeable employees,” as each such term is defined under the Investment Company Act. Interests in the Friends Fund are offered and sold solely to sophisticated investors who are also accredited investors.

Certain limited partners of the Partnerships and other third party investors generally are permitted to co-invest directly in a particular portfolio company or in a holdings company which holds the equity in the portfolio company directly. The Advisers will select which investors are permitted to participate in such co-investment opportunities based on various factors, including, without limitation, the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis and for strategic or other reasons. The Advisers are generally not obligated to make co-investment opportunities available to any particular investors or limited partners, subject to certain exceptions.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Vicente is a private investment firm focused on making growth equity investments in late stage, rapidly growing private companies headquartered primarily in the United States. The Advisers’ investment advisory services consist of identifying and evaluating investment

opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly made in non-public companies, although investments in public companies are permitted.

The Advisers generally seek to make equity investments ranging between \$10 million and \$30 million in portfolio companies. The Advisers seek substantial minority interest investments where they can control major corporate actions or exercise influence over the management and the company's strategic direction, while maintaining the flexibility to also invest in small change-of-control situations. The Advisers generally expect that the Partnerships' investments will be over two-thirds in substantial minority interests ranging between 15% and 49% and one-third in majority interests.

The following is a summary of the investment strategies and methods of analysis generally employed by the Advisers on behalf of the Partnerships. More detailed descriptions of the Partnerships' investment strategies and methods of analysis are included in the Governing Documents. *There can be no assurance that the Advisers will achieve the investment objectives of the Partnerships, and a loss of investment is possible.*

### **Investment and Operating Strategy**

*Deal Sourcing.* Vicente has established an extensive network of contacts throughout the United States that serves as a valuable resource for identifying and developing investment opportunities for the Partnerships. The key relationships that have been developed include: (i) operating and financial executives; board members and co-investors of portfolio companies; (ii) entrepreneurs; (iii) service providers (regional and national law firms, accounting firms and recruiting firms); and (iv) investment bankers and other intermediaries focused on growth equity and small company buyouts. This network is designed to provide Vicente personnel with access to a flow of new investment opportunities that are outside of the traditional investment banking auction process. In addition to these key relationships, the Partnerships have established an advisory panel comprised of leading executives with financial and operational expertise that the Partnerships utilize for deal sourcing, due diligence and portfolio company support.

*Structuring.* Vicente's growth equity investments are typically structured as convertible preferred stock that includes terms designed to provide downside protection as well as the ability to control major corporate actions or exercise influence over the management and the portfolio company's strategic direction. The Advisers generally insist on having substantial negative control provisions when they do not control the board of directors. These provisions typically include specific contractual rights to force an exit within five to seven years and prevent companies from taking any action outside of the normal course of business without the applicable Partnership's approval, including financings, geographic expansion or other significant change in the current business operations, capital expenditures that are not for routine maintenance purposes, debt incurrence, equity issuance and purchases or sales of assets.

*Proactive Approach.* Given the Partnerships' strategy of investing in relatively small enterprises experiencing significant growth, the Advisers will take a hands-on role in each of the portfolio companies. The Advisers expect to have board representation for all of its investments with Vicente personnel, in some cases, acting as chairman of the portfolio company's board of

directors. The Advisers seek to add value to portfolio companies by (i) building competent management teams and boards of directors, (ii) advising on key strategic decisions such as completing follow-on acquisitions, developing sales teams and investing in new locations and (iii) undertaking initiatives with the goal of improving capitalization and exit decisions.

*Exit Strategy.* The Advisers' strategy is to invest in companies that they believe can be ready for exit within a three-to-seven-year holding period, at which point strategic and financial buyers begin to take notice. The exit strategy typically involves a sale to a strategic buyer, although such exit may involve an initial public offering. The Advisers seek to make investments in markets where strategic buyers have historically been highly acquisitive and often are willing to pay a premium for acquisitions based, in part, upon their ability to leverage their infrastructure to further develop and expand the acquired business. The Advisers further believe that, with the glut of middle market buyout funds aggressively pursuing new sources of deal flow, larger private equity funds are an important part of its exit strategy for the portfolio companies that reach revenue and profitability thresholds. In addition, as the Advisers assist their portfolio companies to attain levels of sufficient cash flow, some of these portfolio companies may be able to access the debt markets and become candidates for recapitalizations.

## **Risks of Investment**

The Partnerships and their investors bear the risk of loss that Vicente's investment strategy entails. The risks involved with Vicente's investment strategy and an investment in a Partnership include, but are not limited to:

*Business Risks.* A Partnership's investment portfolio will consist primarily of securities issued by non-publicly traded companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk, which can result in substantial losses. Indeed, investments in troubled companies involve a higher degree of risk than other investments.

*Investment in Junior Securities.* The securities in which a Partnership will invest may be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

*Concentration of Investments.* Each Partnership expects to participate in a limited number of investments and may seek to make several investments in a limited number of industries or industry segments. As a result, each Partnership's investment portfolio could become highly concentrated, and the performance of a few investments may substantially affect its aggregate return.

*Lack of Sufficient Investment Opportunities.* It is possible that a Partnership will never be fully invested if enough attractive investments are not identified and ultimately procured. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. Each Partnership will be competing for investment opportunities with other groups, including other private equity pooled-investment vehicles, direct investment firms and merchant banks and a Partnership may be unable to identify a sufficient number of attractive investment opportunities for such Partnership to meet its investment

objectives. However, regardless of the extent to which the commitments of the limited partners are invested (or drawn down to be invested), the limited partners will be required to pay their pro rata portion of annual Management Fees during the investment period based on the limited partners' commitments.

*Growth Equity Transactions.* The Partnerships are permitted to make growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

*Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which a Partnership may invest, including various segments of the business services, consumer services (e.g., healthcare) and specialty manufacturing sectors, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Partnership intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including the business services, consumer services (which includes consumer healthcare services) and specialty manufacturing sectors, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Partnership invests.

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Vicente and the Partnerships. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Vicente and its affiliates, a Partnership and/or its investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Partnerships.

*Illiquidity; Lack of Current Distributions.* An investment in a Partnership should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such

time, there may be no current return on the investment. Furthermore, the expenses of operating a Partnership (including any Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from such Partnership's capital, including unfunded commitments.

*Leveraged Investments.* A Partnership is permitted to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both such Partnership's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Partnership's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates (which in recent years have been at or near historic lows) and could accelerate and magnify declines in the value of such Partnership's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Partnership may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Partnership. Furthermore, should the credit markets be limited or costly at the time a Partnership determines that it is desirable to sell all or a part of a portfolio company, such Partnership may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Partnership invests generally will not be rated by a credit rating agency.

A Partnership is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and, in such situations, it is not expected that such Partnership would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Partnership generally also will result in fees, interest expense and other costs to such Partnership that may not be covered by distributions made to such Partnership or appreciation of its investments. While Partnership-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. A Partnership is permitted to incur leverage on a joint and several basis with one or more other Private Investment Funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Partnership incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Partnership's investors and such investors' contributions may be required to be made directly to the lenders instead of such Partnership.

To the extent a Partnership provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of such Partnership. As a result, a Partnership's portfolio could

become more concentrated with respect to such investment than initially expected or otherwise provided for under such Partnership's investment limitations, certain of which exclude bridge financing investments.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a substantial number of the Partnerships' investments and, hence, most of a Partnership's investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Partnership and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

*Reliance on Portfolio Company Management.* Although the General Partner will monitor the performance of each Partnership's investments, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis.

*Projections.* Projected operating results of a portfolio company in which a Partnership invests normally will be based primarily on financial projections prepared by each such portfolio company's management. In all cases, projections are only estimates of future results that are based upon information received from the portfolio company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from such projections. Also, general economic factors (which are not predictable and are completely outside the control of Vicente, the General Partner and their respective employees and affiliates) can have a material effect on the reliability of projections.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, a Partnership reserves the right to provide additional funds to such portfolio company or such Partnership may have the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that a Partnership will make follow-on investments or that such Partnership will have sufficient funds to make all or any of such investments. Any decision by a Partnership not to make add-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for such Partnership to increase its participation in a successful operation.

*Unfunded Pension Liabilities of Portfolio Companies.* Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the General Partner intends to manage each Partnership's investments to minimize any such exposure, a Partnership may, from

time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Partnership may own an 80% or greater interest in such portfolio company. If such Partnership (or other 80%-owned portfolio companies of such Partnership) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Partnership and the companies in which such Partnership invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Partnership, the General Partner, Vicente or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Vicente, the Partnerships and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Vicente's, the Partnerships', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Partnership, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Vicente or one of its service providers holding its financial or investor data, Vicente, its affiliates or the Partnerships may also be at risk of loss.

*Non-U.S. Investments.* A Partnership reserves the right to invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of such Partnership) and the application of complex tax rules to cross-border investments.

*Non-Controlling Investments.* A Partnership reserves the right to make non-controlling investments in portfolio companies and, therefore, will have a limited ability to protect such Partnership's position in such portfolio companies. However, the General Partner will seek appropriate board representation and shareholder rights to help protect such Partnership's interest in such cases.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus, diseases or pandemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Partnership and its investments to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Partnership and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Partnership's investments.

*Public Health Emergencies; COVID-19.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Partnerships.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"). This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to volatility in all financial markets. Among other things, these unprecedented developments have resulted in volatility in demand across most categories of consumers and businesses, volatility in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 – and any resulting decline in economic and commercial activity – on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open,” it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Partnerships. The extent of the impact on the Partnerships' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Partnerships to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Partnerships intend to pursue, all of which could adversely affect the Partnerships' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Partnerships, their portfolio companies and Vicente may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

*Lack of Unilateral Control.* Even if a Partnership is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Partnership invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, is subject to terms and conditions imposed by portfolio company lenders, or makes a minority investment, the relevant portfolio company may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ

from or are inconsistent with those of the relevant Partnership or its limited partners. Such third parties may be in a position to take action contrary to a Partnership's business, tax or other interests, and such Partnership may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Partnership generally seeks to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Partnership will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

*Limited Access to Information.* Limited partners' rights to information regarding a Partnership, the General Partner generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Partnership's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the General Partner's control. Decisions by the General Partner or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Partnership may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor the General Partner and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Partnership's LP Committee generally may, by virtue of such participation, have more or earlier information about a Partnership and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Partnership succeeds in asserting confidentiality for requested documents and other materials, and the General Partner reserves the right to withhold certain information from investors subject to such laws for reasons relating to Vicente's public reputation, business strategy or other reasons.

*Material, Non-Public Information; Other Regulatory Restrictions.* As a result of the operations of the General Partner and its affiliates, as well as in connection with officerships or directorships of Vicente personnel, the General Partner from time to time may come into possession of confidential or material, non-public information. The General Partner and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Partnership, and a Partnership may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the General Partner's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the General Partner or the Partnerships from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions

give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Partnership's acquisition of a portfolio company may preclude other Partnerships from making an attractive acquisition or require one or more other Partnerships to sell all or a portion of certain portfolio companies owned by them.

*Privacy and Data Protection Law Compliance Risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "**Privacy Laws**") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Management Company, the General Partner, the Partnerships and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Partnership performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Management Company, the General Partners, the Partnerships and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, as amended, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Management Company, the General Partner, the Partnerships and/or their portfolio companies.

As a result of any of the foregoing, a Partnership may be adversely affected because of the General Partner's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Partnership from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by the General Partner or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Partnership will be able to participate in all potential investment opportunities that fall within its investment objectives.

*Russia-Ukraine Conflict.* There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial

systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Partnerships or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Partnerships. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Partnership to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Partnership intends to pursue, all of which could adversely affect a Partnership's ability to fulfill its investment objectives.

### **Conflicts of Interest**

The Advisers and their related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Private Investment Funds, and providing transaction-related, consulting, legal, management and other services to Partnerships and portfolio companies. The Advisers will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Partnerships in an appropriate manner, as required by the Governing Documents, although the Partnerships and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Advisers conducting their activities, the interests of a Partnership likely will conflict with the interests of the Advisers, one or more other Private Investment Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, the Advisers will determine all matters relating to structuring transactions and Partnership operations using their reasonable judgment considering all factors they deem relevant, but in their sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Partnership.

During the investment period of a Partnership, the principals of the Management Company (the “**Principals**”) pursue all appropriate investment opportunities within such Partnership's mandate through such Partnership, subject to certain limited exceptions set forth in the Governing Documents. However, without limitation, the Principals reserve the right to manage, and expect in the future to manage, several other Private Investment Funds or other private investment vehicles and investments similar to those in which a Partnership will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. The Principals and other Adviser personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to these arrangements. The Principals and the Advisers' investment staff will continue to manage and monitor such Private Investment Funds and investments until their realization. Such

other investments that the Principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Partnership. Following the investment period of a Partnership, the Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Partnership's investments. To the extent an advisory opportunity is received that is unsuitable for a Partnership, in Vicente's sole discretion, Vicente and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, the Principals and other Adviser personnel are permitted to serve on boards or act in other roles unaffiliated with the Partnerships or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

From time to time, the Advisers will be presented with investment opportunities that would be suitable not only for a Partnership, but also for other Private Investment Funds and other investment vehicles operated by advisory affiliates of the Advisers. In determining which investment vehicles should participate in such investment opportunities, the Advisers and their affiliates are subject to conflicts of interest among the investors in such investment vehicles. The Advisers will determine the allocation of investment opportunities among the Partnerships and other investment vehicles in a manner that they believe is fair and equitable to their clients under the circumstances over time consistent with the Advisers' obligations. Except as required by the relevant Governing Documents, the General Partner is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of the Advisers in a portfolio company also have the potential to raise the risk of using assets of a client of the Advisers to support positions taken by other clients of the Advisers.

Since the General Partner is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Partnership investments, it expects to be subject to a potential conflict of interest in connection with approving transactions. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. The General Partner attempts to resolve such potential conflicts by offsetting the Management Fee by a specified percentage of such Supplemental Fees, as required under the Governing Documents.

As a result of a Partnership's controlling interests in portfolio companies, the General Partner and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Vicente personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to the General Partner and/or its affiliates.

Vicente and/or its affiliates reserves the right, from time to time, to employ personnel with pre-existing ownership interests in portfolio companies owned by a Partnership or other investment vehicles advised by the General Partner and/or its affiliates. In addition, portfolio companies reserve the right to pay certain fees to third-party consultants (including consultants introduced or arranged by the General Partner and/or its affiliates that regularly provide services to Partnership portfolio companies), Management Company employees that have left the

Management Company either permanently or on an interim basis, and Management Company employees working on legal, auditing, consulting, financing and accounting issues as a result of a portfolio company's request, and such fees will not offset the Management Fee as described herein.

Additionally, a portfolio company typically will reimburse Vicente or service providers retained at Vicente's discretion for expenses (including, without limitation, travel expenses) incurred by Vicente or such service providers in connection with its performance of services for such portfolio company. This subjects the Vicente and its affiliates to potential conflicts of interest because the Partnerships generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Management Company, the General Partner or their affiliates determine the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

In connection with its services to the Partnerships and their investments, Vicente, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Vicente's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Vicente and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Partnership or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Vicente Information**"). In many cases, Vicente Information will include tools, procedures and resources developed by Vicente to organize or systematize Vicente Information for ongoing or future use. Although Vicente expects the Partnerships and their portfolio companies generally to benefit from Vicente's possession of Vicente Information, it is possible that any benefits will be experienced solely by other or future Private Investment Funds or portfolio companies (or by Vicente and its personnel) and not by the Partnership or portfolio company (as applicable) from which Vicente Information was originally received.

Vicente Information will be the sole intellectual property of Vicente and solely for the use of Vicente. Vicente reserve the right to use, share, license, sell or monetize Vicente Information, without offset to Management Fees, and the relevant Partnership or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Partnerships or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Partnerships or their respective investors; no such rewards will offset Management Fees.

The General Partner and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Partnerships providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Vicente's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts and rights to serve on an LP Committee, liquidity or transfer

rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic procedural and other terms.

Vicente is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (*e.g.*, based on commitment amount to a Partnership or the timing thereof, the ability of a limited partner to provide sourcing or other services to Vicente, its affiliates and personnel or the Partnerships, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Vicente, its affiliates and personnel, or the Partnerships. Further, Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to certain Partnerships. Except where required by the Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Partnership, Vicente, the General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Vicente to potential conflicts of interest, including in circumstances where an investor's right to serve on an LP Committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Although Vicente believes it to be unlikely, excuse rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Partnership have the potential to create significant variations in limited partner investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Partnership as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Partnership. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Partnership.

In certain circumstances, current or former Vicente personnel are expected to serve in interim or part-time roles at a portfolio company or provide services to a portfolio company while maintaining certain benefits, support services or indicia of employment at Vicente. Under such arrangements, Vicente and/or the relevant portfolio company is authorized to pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest.

Except to the extent prohibited by the Governing Documents, the Advisers and their personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles or accounts the investment or business strategy of which does not overlap with the Partnerships, and to receive compensation

(including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-"assignment" provisions of the Advisers Act, Vicente and its personnel are also permitted to offer, restructure and monetize interests in Vicente.

The relevant liability standards under insurance coverage procured by Vicente are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Vicente's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects the Advisers and/or their affiliates to potential conflicts of interest. The Advisers attempt to resolve such conflicts of interest in light of its obligations to investors in the Partnerships and the obligations owed by the Advisers' advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Partnership, other Private Investment Funds and such investment vehicles in a manner it believes to be fair and equitable to the Partnerships, other Private Investment Funds and such investment vehicles under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the Advisers will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Advisers consult and receive consent to conflicts from an advisory committee consisting of limited partners of the relevant Partnership(s) and such other investment vehicles.

#### **DISCIPLINARY INFORMATION**

Vicente and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The General Partner and equivalent entities formed from time to time are subject to the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. The Management Company provides advisory services to the General Partner and other Vicente entities pursuant to management agreements. These entities operate as a single advisory business and serve as managers or general partners of the Partnerships (or other Private Investment Funds) and share common owners, officers, partners, employees, consultants or persons occupying similar positions.

#### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

The Advisers have adopted the Vicente Code of Ethics and Securities Trading Policy (the "Code"), which sets forth standards of conduct that are expected of the Advisers' principals and

employees and addresses conflicts that arise from personal trading. The Code requires certain Advisers' personnel to

- report their personal securities transactions;
- pre-clear any proposed purchase of any security in an initial public offering or a limited offering; and
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material, non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to Jay Ferguson, Vicente's Chief Compliance Officer, at (310) 826-2255. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

The Advisers and their affiliated persons may come into possession, from time to time, of material, non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers. Accordingly, should the Advisers or any of their affiliated persons come into possession of material, non-public or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Vicente personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Partnerships.

Principals and employees of the Advisers and their affiliates generally are expected to directly or indirectly own an interest in Private Investment Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Partnership. Co-invest opportunities generally are also expected to be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-investment vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in a manner that the Advisers believe is fair and equitable to their clients consistent with the Advisers' fiduciary obligations and the relevant Governing Documents.

The Advisers and their affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in the Partnerships, as well as give advice and recommend securities to other accounts or certain Private Investment Funds or vehicles which may differ from advice given to, or securities recommended or bought for, the Partnerships, even though their investment objectives may be the same or similar.

From time to time, the General Partner reserves the right to borrow funds on behalf of the Partnerships or the Private Investment Funds and contribute such borrowed amounts to the Partnerships (or relevant Private Investment Fund, as applicable) as a special capital contribution for investment, to be returned at a later date. Additionally, the General Partner reserves the right to advance funds on behalf of the Partnerships or the Private Investment Funds and contribute such amounts to the relevant Partnerships (or relevant Private Investment Fund, as applicable) as a special interim capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing typically is borne by the Partnerships (or the relevant Private Investment Fund, as applicable) as a Partnership expense, consistent with the Governing Documents and the expense policy described under “Fees and Compensation.” In borrowing on behalf of the Partnerships or a Private Investment Fund, the General Partner is subject to potential conflicts of interest between repaying their obligations and retaining such borrowed amounts for the benefit of the Partnerships or Private Investment Fund, as applicable. The General Partner will effect such borrowings consistent with such Partnership’s or Private Investment Fund’s Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the Partnerships or Private Investment Fund, as applicable.

The Advisers and their affiliates reserve the right to recommend the purchase or sale of securities for Private Investment Funds in which one or more of their partners, members, officers, directors, employees (and members of their families) or affiliates (“**affiliated persons**”), directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in the Adviser’s Code of Ethics. Such transactions could potentially include trading in securities in a manner that differs from or is inconsistent with the advice given to the Private Investment Funds. In certain circumstances, these transactions likely will require the consent of the applicable Private Investment Fund or its applicable LP Committee.

### **BROKERAGE PRACTICES**

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers reserve the right to distribute securities to investors in a Private Investment Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, they intend to follow the brokerage practices described below.

If the Advisers purchase or sell publicly traded securities for a Private Investment Fund, they are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Advisers. In such event, the Advisers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Advisers reserve the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Advisers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any

broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Advisers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since their inception.

The Advisers do not anticipate engaging in significant public securities transactions; however, to the extent that the Advisers engage in any such transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Private Investment Funds are completed independently, the Advisers also reserve the right to also purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, the Advisers expect, but are not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Private Investment Fund of the Advisers is favored over any other Private Investment Fund. When an aggregated order is filled in its entirety, each participating Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Private Investment Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Private Investment Funds.

Each Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided the Advisers believe they are fair and equitable to their clients under the circumstances over time.

## **REVIEW OF ACCOUNTS**

The investments made by the Partnerships are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Advisers monitor companies in which the Partnerships invest, and the Vicente Chief Compliance Officer periodically checks to confirm that the Partnerships are maintained in accordance with their stated objectives.

Each of the Partnerships will provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each limited partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company quarterly.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

The Advisers and/or their affiliates generally expect to provide certain business or consulting services to companies in a Partnership's portfolio and receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation, in some cases, will offset a portion of the Management Fees paid by such Partnership. However, in other cases these fees would be in addition to Management Fees. See "Fees and Compensation."

The Advisers reserve the right to enter into solicitation arrangements pursuant to which they compensate third parties for referrals that result in a potential investor becoming a limited partner in a Partnership or other Private Investment Fund. Subject to the terms of the relevant Governing Documents, such fees and expenses payable to any such placement agents generally will be borne by the Advisers either directly or indirectly through an offset against the Management Fee.

#### **CUSTODY**

The Advisers generally expect that they will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2) of assets held in the name of one or more Partnerships, and intend to maintain such assets with the following qualified custodian: Northern Trust Company, located at 2049 Century Park East, Suite 3600, Los Angeles, CA 90067.

#### **INVESTMENT DISCRETION**

The Advisers have discretionary authority to manage investments on behalf of each Partnership. As a general policy, the Advisers do not allow limited partners to place limitations on this authority, provided that the Governing Documents of a Partnership may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the Governing Documents, however, the Advisers and/or their affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Partnership are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other reasons. The Advisers assume this authority pursuant to the terms of (i) the Governing Documents, (ii) the management agreement between the General Partner and the Management Company and (iii) powers of attorney executed by the limited partners of such Partnership.

#### **VOTING CLIENT SECURITIES**

The Advisers have adopted the Vicente Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how they will vote proxies, as applicable, for the Partnerships' portfolio investments. The majority of "proxies" received by the Advisers will be written shareholder consents (or similar instruments) for private companies, although the Advisers also expect to

receive traditional proxies from public companies from time to time. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Partnerships, including where there may be material conflicts of interest in voting proxies. The Advisers generally believe their interests are aligned with those of the Partnerships' investors, for example, through the principals' beneficial ownership interests in the Partnerships and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Advisers may address the conflict using several alternatives, including by seeking the approval or concurrence of any LP Committee, on the proposed proxy vote, or through other alternatives set forth in the Proxy Policy. The Advisers do not consider service on portfolio company boards by Vicente personnel or the Advisers' receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of the Partnerships. Clients or investors that would like a copy of Vicente's complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies, may contact Jay Ferguson, Vicente's Chief Compliance Officer, at (310) 826-2255, and it will be provided at no charge.

#### **FINANCIAL INFORMATION**

The Management Company does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.