

Vector Capital Management, L.P.

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Vector Capital Management, L.P. and its affiliates (collectively “Vector”). If you have any questions about the contents of this brochure, please contact James Murray at 415-293-5000 or jmurray@vectorcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Vector Capital Management, L.P. is also available on the SEC’s website at: www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

Vector filed its most recent Form ADV Part 2A in March 2023. This other-than-annual amendment updates Vector's investment committee and Vector's Chief Compliance Officer.

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Item 4: Advisory Business

Vector is a middle-market investment firm focused on special situation investments in technology and technology enabled businesses. In addition to public buyouts and acquisitions of private and venture-backed companies, Vector seeks to invest in corporate spin-outs and divestitures, credit recapitalizations and restructurings, minority investments in “bootstrapped” companies, and private investments in public equity. Vector was founded in 1998 by Alexander Slusky and is controlled by Mr. Slusky through his ownership of Vector Capital, LLC, VCM Holdings, Inc., and Vector Capital Group Partners, LLC.

Vector serves as an investment manager (or in certain cases, as a sub-advisor) and provides discretionary advisory (or sub-advisory, as applicable) services to several privately offered collective investment vehicles, including private investment partnerships and foreign investment companies, together with any respective parallel funds, special purpose, alternate investment, or subsidiary investment vehicles (the “Vector Funds”).

The Vector Funds are organized into two core strategies, private equity and credit (the “Equity Funds” and the “Credit Funds”). The Equity Funds primarily pursue private equity investments in technology and technology-enabled businesses, including buyouts, spinouts, turnarounds, recapitalizations, and special purpose acquisition companies (“SPACs”). The Credit Funds focus on special credit opportunities in middle market companies in the software, hardware, media, telecom, and business services sectors.

The investment activities of the Equity Funds are directed by an investment committee composed of Mr. Slusky, Robert Amen, and Andy Fishman and the investment activities of the Credit Funds are directed by an investment committee composed of Messrs. Slusky and Nick Ghoussaini (the “Principals”). In addition to the Principals, there are additional investment professionals comprised of seasoned technology investors who are former CEOs, CFOs, product managers, engineers, lawyers, consultants, and investment bankers who bring a wealth of investment, operational, and financial expertise and experience to Vector and its affiliates (collectively, the “Vector Team”).

Vector provides investment management services to the Vector Funds and not individually to the investors (“Investors”) in the Vector Funds. Vector has full discretionary authority to purchase or sell investments for the Vector Funds, with certain limited exceptions for approval rights by Investors for specific tax or regulatory considerations provided for in the Governing Fund Documents (as defined below).

In providing its services to each Vector Fund, Vector and the Vector Team evaluate, direct, and manage the investment and reinvestment of the assets of the Vector Funds, and provide reports to Investors, in accordance with the terms of a limited partnership agreement, investor subscription

agreements, and, as applicable, side letters or any other governing documents applicable to the Vector Fund or Investors (the “Governing Fund Documents”).

Interests in the Vector Funds are privately offered only to qualified investors pursuant to exemptions available under the Securities Act of 1933, as amended (the “Securities Act”), and the regulations promulgated thereunder, and the Vector Funds are not registered with the SEC as investment companies based on specific exclusions from the Investment Company Act of 1940, as amended (“1940 Act”). Typically, interests in the Vector Funds are offered to institutional investors and high net worth individuals.

As of December 31, 2022 Vector managed approximately \$4,750,000,000 of regulatory assets under management on a discretionary basis on behalf of the Vector Funds, net of borrowings and including committed uncalled capital.

Item 5: Fees and Compensation

The Vector Funds are charged asset-based advisory fees by their affiliated General Partners (as defined below). These fees, which are paid to Vector, include management fees based on a percentage of assets under management, carried interest allocations and certain other fees or expenses related to transactions, all in accordance with the Governing Fund Documents. Fees other than carried interest allocations, which are discussed in “*Performance Based Fees and Side-by-Side Management*” (Item 6) are generally payable quarterly in advance and are generally paid on or after the date payable.

Vector’s management fee is typically in the range of 1.0 to 2.0 percent. For the Private Equity funds, the management fee typically is calculated as a specified percent of an Investor’s committed capital during a Fund’s investment period and thereafter a specified percent of investment cost. For the Credit Funds, the management fee is typically calculated as a specified percent of an Investor’s capital account. Management fees are prorated for partial periods. Management fees are negotiable, and Vector has the right to waive, reduce, or calculate differently, from time to time, all or part of the management fee with respect to one or more Investors without waiving, reducing, or calculating differently the management fee with respect to other Investors. Prepaid fees are deducted from Investors’ accounts quarterly in the case of the Equity Funds, and monthly in the case of the Credit Funds. A pro rata portion of such fees is refunded when necessary. Vector retains flexibility to structure its compensation from Investors and may in certain circumstances agree to invoice an Investor directly for management fees or other compensation, rather than deducting such amounts from the Investor’s capital accounts. Where the Governing Fund Documents calculate management fees based on the amount of capital commitments or the amount of investment cost, the management fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Fund Documents.

Vector typically receives monitoring, transaction, syndication, break-up, consulting, and directors' fees and financing, divestment, and other similar fees (whether paid in cash or securities) in connection with portfolio investments of the Equity Funds as compensation for financial advisory and similar services provided to the Equity Funds' portfolio companies. With the exception of charges for the Value Creation Team (as defined below), such fees received from portfolio companies of an Equity Fund typically reduce the management fees otherwise payable to Vector by the Vector Fund. In the event Vector receives directors' fees with respect to a portfolio investment that is held by one or more Credit and Equity Funds, each of such Equity and Credit Funds will receive the benefit of a management fee offset with respect to such fees, which shall be applied pro rata amongst the relevant Vector Funds. The Equity Funds regularly make controlling equity investments in portfolio companies. Vector, as the manager to the Equity Funds, assumes a certain level of control of these portfolio companies through board representation, typically a majority of the board. Through its board representation, Vector is able to influence the determination of service providers to be used by the portfolio companies, as well as the amounts paid to service providers by the portfolio companies. Vector often causes the portfolio companies to select Vector, or an affiliate, to provide such services. This arrangement creates a conflict between the interests of Vector and the Equity Funds because the value of the Equity Funds' portfolio holdings are diminished by the portfolio company fees paid to Vector. Vector typically mitigates this conflict by offsetting portfolio company fees against management fees that the Equity Funds must otherwise pay to Vector. The Governing Fund Documents of each Vector Fund set forth the extent to which such fees reduce management fees. However, for certain Vector Funds that no longer pay or pay minimal management fees, Vector retains such compensation with no corresponding reduction to management fees. In addition, the Vector Funds portfolio holdings have accrued and unpaid fees that are contractually obligated to be paid in the future which could either offset management fees or be retained by Vector. To the extent that any such fees are paid in kind (including through securities, option grants or other interests), Vector is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date.

For example, Vector typically enters into management services agreements with portfolio companies that provide for payments of monitoring and transaction fees to Vector. These fees are generally offset against management fees that would otherwise be paid by the Equity Funds. Offsets are made only with respect to the Equity Funds' allocable share of an investment and not with respect to the General Partner's or other investor's allocable share of the investment. However, in the later years of an Equity Fund the management fees are reduced and the monitoring and transaction fees may be greater than the management fees. Vector has the right to retain such fees with no corresponding reduction to management fees and the amount of such fees could be significant.

Each Vector Fund generally bears or reimburses Vector for all of the expenses relating to its own activities, operations, and meetings including, without limitation, fees, costs, expenses, liabilities,

and obligations directly related to the origination, sourcing, investigation, development, making, management, monitoring, and disposition of investments (including any such costs and expenses incurred by Vector and any such costs and expenses relating to potential investments that are not consummated (*i.e.*, “broken deal expenses”) and other expenses relating the diligence or evaluation of a prospective investment); fees and expenses of brokers, dealers, finders, underwriters, loan administrators, and placement agents; costs associated with developing an investment pipeline, including consultants, finders, brokers, investment banks, trade shows, conferences, and periodical or database subscriptions; fees and expenses of custodians, consultants, outside counsel, and accountants; insurance premiums and other insurance costs; any software or administration solutions used in connection with Vector Fund investments; any tax and audit costs; costs related to compliance with each Vector Fund’s Governing Fund Documents and any law, rule, regulation, policy, or special measure, including fees and expenses related to compliance with FATCA and other foreign account reporting requirements, protection of personal data, know-your customer and anti-money laundering, and regulatory filings or reports (e.g. Form PF and Bureau of Economic Analysis Reports); expenses relating to any tax or regulatory audit or investigation; the fees, costs, expenses, liabilities, and obligations of any litigation relating to the activities or operation of the Vector Fund and the amount of any judgments or settlements paid in connection therewith, relating to the business, activities, and interests of the Vector Fund; expenses of Advisory Committee meetings, including reimbursement of out-of-pocket costs for Advisory Committee members and meeting attendants; costs of third-party valuation experts; unreimbursed and unpaid costs of the Value Creation Team, its members, or other persons engaged by the Value Creation Team; travel expenses, including private air travel, and any other lodging, meals, or entertainment related to the activities and operations of the Partnership as described in the Governing Fund Documents. The expense of private air travel (including the use of a private aircraft owned, partially owned, or leased by Vector) may be reimbursed by a Vector Fund in instances where there are no non-stop flights or regularly scheduled flights to the destination, multiple stops will be made during the use of private air travel, there are exigent circumstances, or there are safety concerns in respect of the point of departure, the route, or the destination. The cost of private air travel will significantly exceed the cost of first-class commercial airfare.

Vector generally bears its own operating expenses incurred in connection with the management of the Vector Funds to the extent those expenses are not borne by the Vector Funds. Such operating expenses include, without limitation, expenditures on account of salaries, wages, travel, entertainment, and other expenses of Vector’s employees; rentals payable for space used by Vector; accounting services; liability and other insurance premiums (other than premiums, if any, for insurance against liabilities of the type generally covered by the indemnification provisions in the applicable Governing Fund Documents); and membership dues for professional and trade associations of which Vector is or becomes a member.

Vector Funds typically allocate a portion of their investment profits to their affiliated General Partners as an incentive for Vector to maximize performance of the fund. These “carried interest” or “performance fee” allocations typically range from 10% to 25% for the Vector Funds. Carried interest and performance fee allocations are in addition to any investment that the General Partner may have in a Vector Fund. The fact that a significant portion of Vector’s compensation is directly computed on the basis of investment profits generated by Vector Funds creates an incentive for Vector to make investments on behalf of the Vector Funds that are riskier or more speculative than would be the case in the absence of such compensation.

Item 6: Performance Based Fees and Side-by-Side Management

As indicated in Item 5 above, the Vector Funds pay performance-based fees to Vector, including carried interest or incentive allocations, which vary across the Vector Funds. The calculation of the amount of, and the timing of payment of, carried interest and incentive allocations are detailed in each applicable Governing Fund Documents. Performance-based fees differ from one Vector Fund to another and can differ among Investors in the same Vector Fund.

The existence of performance-based fees creates an incentive for Vector to make more speculative investments on behalf of the Vector Funds than it would otherwise make in the absence of such performance-based arrangement.

In addition, Vector receives a different level of investment advisory or performance-based fees from different Vector Funds which can present a conflict of interest. Vector potentially has an incentive to favor Vector Funds from which it receives a higher performance fee in the allocation of investment opportunities or expenses and it potentially has an incentive to take greater investment risks on behalf of such Vector Funds.

Vector has established safeguards designed to address these potential conflicts of interest. Some Equity Funds have established an Advisory Committee composed of Investors that review potential conflicts of interest that may arise in Vector’s investment activities on behalf of the Equity Funds.

Item 7: Types of Clients

Vector provides discretionary investment advisory (or sub-advisory, as applicable) services directly to the Vector Funds, subject to any limitations included in the Governing Fund Documents. Vector considers the Vector Funds, not the Investors in the Vector Funds, to be its clients (“Clients”). Investors in the Vector Funds generally include high net worth individuals, pension plans (corporate, state, and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (*e.g.*, funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

The minimum commitment for an Investor in a Vector Fund is outlined in the Governing Fund Documents; however, Vector maintains discretion to accept less than the minimum investment threshold. In addition, the Vector Funds may enter into separate agreements, commonly referred to as “side letters,” with certain Investors, to waive or otherwise modify certain terms of the Governing Fund Documents, or allow such Investors to invest on terms (including without limitation, those relating to information rights) more favorable than those specifically described in the Governing Fund Documents. Vector has implemented policies and procedures to ensure that any side letters are consistent with its fiduciary duty to all of the Investors in the Vector Funds. Subject to applicable law and unless otherwise required pursuant to the applicable Governing Fund Documents and any applicable provisions of such “side letters,” Vector does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the Investors that have entered into such agreements. (See Item 11.)

Investors in Vector Funds are required to meet certain suitability qualifications. Also, Investors are required to make certain representations when investing in a Vector Fund, including, but not limited to that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and that (iii) they have the ability to bear the economic risk of an investment in the Vector Fund. Details concerning applicable investor suitability criteria are set forth in the respective Vector Fund’s offering documents and subscription materials, which are furnished to each Investor.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Private Equity. The Equity Funds make investments in operating companies through buyouts, spinouts, recapitalizations, SPACs, and similar transactions involving technology and technology-enabled businesses. Vector’s investment strategy is characterized by a willingness to invest in both public and private companies, a focus on special situations and turnarounds, active involvement in portfolio companies, and its ability to apply the Vector Team’s industry expertise across its portfolio.

The Equity Funds pursue investments in businesses that have difficulty accessing traditional sources of capital. These businesses are often in periods of transition or distress and require significant investments of time and capital to maximize their potential value. Special situations require innovative sourcing, rigorous due diligence, financial sophistication, and complex structuring. They also require a willingness to stay focused on a potential transaction over many months and sometimes years.

Vector performs analytical due diligence and emphasizes company fundamentals, such as industry positioning, balance sheet strength, and discounted cash flows when valuing potential investments. Vector has established rigorous quantitative and qualitative criteria for its investments. These

criteria are designed to help Vector identify opportunities with an emphasis on scalable operations, undervalued assets, and the ability to drive operating performance.

Credit. The Credit Funds seek attractive risk-adjusted total returns by pursuing an investment strategy primarily focused on investments in bank loans, debt and debt-related securities of middle market companies in the software, hardware, media, telecom, and business services sectors, but may also invest across a diverse set of industries, sectors, and regions. The Credit Funds may also acquire equity interests, including preferred and common, and may seek exposure to equity and credit investments synthetically through derivatives, such as swaps, options, short sales, futures, and forwards.

In managing the Credit Funds, Vector is guided by an investment philosophy that stresses risk control and consistency, and that seeks to capitalize on special situations presented by inefficiencies in the credit markets. Its approach to credit investing is rigorous and deeply analytical, with an emphasis on business fundamentals, such as recurring revenue, financial performance, competitive positioning, and product strategy.

Vector conducts quantitative analysis and screening of technology, business services, media, and telecom credits to identify attractive opportunities based on trading multiples and relative and absolute price changes to identify promising investment opportunities. Vector then conducts analysis on this universe of potential investments, including enterprise valuations, bankruptcy recovery and liquidation analyses, scenario analyses, stress tests, sensitivity analyses, and business diligence and analyses. Based on this analysis, Vector develops a proprietary model for each credit that includes an upside, base, and downside case, as well as target purchase and sale prices. Based on this analysis, the investment committee determines whether to invest in the credit on behalf of the Credit Funds.

Risks

All investing involves a risk of loss that Investors should be prepared to bear. The descriptions contained below are a brief overview of the material risks related to Vector's investment strategies; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Vector Funds. Please refer to the applicable Governing Fund Documents for more complete information regarding these and other risks associated with an investment in a Vector Fund.

Investment Risks – General

Valuation. The Vector Funds' portfolios contain numerous illiquid, subordinate, non-traded, or lightly traded investments (which may be held in a variety of countries) for which a traditional fair value would be difficult and prohibitively expensive to determine on a recurring basis. Therefore, private equity funds, like the Vector Funds, customarily use a combination of market based and income-based valuation techniques, in accordance with U.S. Generally Accepted Accounting

Principles, to determine fair value for each measurement period. Vector's estimates of fair value involve using prices, multiples, and other relevant information generated by market transactions involving comparable assets, or discounting future expected cashflows to arrive at a net present value for the assets being valued. The Vector Funds may also rely on valuations they receive from third parties. The fair value of Vector Fund assets includes unrealized gains and losses, and may be adjusted by any follow-on contributions, returns of invested capital, or partial realizations, or to reflect any permanent impairment to value as determined by Vector. As such, the estimated fair value of assets will typically vary from actual amounts realized upon the disposition of those assets. There can be no assurances that the fair value determinations, or the assumptions used to make those determinations, will prove to be accurate. Such valuations may turn out to be inaccurate and therefore may affect the calculated returns with respect to such assets. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the relevant General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Lack of diversification. The Vector Funds are typically subject to limited or no diversification requirements, and may invest in a limited number of companies, sectors, countries, or regions. The Vector Funds may invest a portion of their assets in privately-held technology companies without histories of profit and stability. These companies may require considerable additional capital to develop technologies and markets, acquire customers, and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing, and service capabilities, and a greater number of qualified managerial and technical personnel. Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage. To the extent the Vector Funds concentrate their investments in a particular company, sector, country, or region, their investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular company, sector, country, or region. As a consequence, the aggregate return of the Vector Funds may be adversely affected by the unfavorable performance of one or a small number of companies, sectors, countries, or regions in which the Vector Funds have invested. Currently, the Vector Funds intend to focus their investments in a limited number of sectors, including software, business services, media, telecom, and information technology companies, and any downward trends in such sectors could have a material adverse effect on the Vector Funds' performance.

Trading Risk. Vector's trade error policy only requires Vector to reimburse Vector Funds for any losses resulting from Vector's breach of the applicable standard of care. Although Vector endeavors to take the utmost care in implementing investment decisions on behalf of each Vector Fund, trade errors do occur and could have a material adverse impact on the performance of all Vector Funds.

Leverage. The Vector Fund's investments include portfolio companies with capital structures that include significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage will constrain these companies' ability to finance their future operations and capital needs and ability to operate its business as desired. 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. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the portfolio companies or their industries. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk.

Subscription Lines. The Vector Funds are permitted to enter (and the Equity Funds have entered) into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Vector Fund's investments). Vector Fund-level borrowing subjects Investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the Investors, Investors may be obligated to contribute capital on an accelerated basis if the Vector Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any investor claim against the Vector Fund would be subordinate to the Vector Fund's obligations to a subscription line's creditors.

In addition, Vector Fund-level borrowing will result in additional partnership expenses that will be borne by Investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and expenses, as well as legal fees relating to the establishment, structuring, and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating, or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Vector Fund's Investors and the terms of the Governing Fund Documents, it may be higher than the interest rate an Investor could obtain individually. To the extent a particular Investor's cost of capital is lower than the Vector Fund's cost of borrowing, Vector Fund-level borrowing can negatively impact an Investor's overall individual financial returns even if it increases the Vector Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Vector Fund-level borrowing typically delays the need for Investors to make contributions

to a Vector Fund which in certain circumstances enhances a Vector Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of Vector. The use of a subscription line for extended periods of time may also increase the likelihood that a Vector Fund will generate any minimum internal rate of return necessary to earn carried interest for the relevant General Partner. The General Partner may therefore have an incentive to borrow large amounts on a subscription line to make investments and pay expenses and to delay calling capital from Investors for long periods of time, thereby causing the Vector Fund to pay significant interest expense. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, but receive the benefit of the use of the subscription line.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Vector Fund and the Investors or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on Vector's ability to consent to the transfer of an Investor's interest in the Vector Fund or impose concentration or other limits on the Vector Fund's investments, and contain financial or other covenants, that could affect the implementation of the Vector Fund's investment strategy. In addition, in order to secure a subscription line, Vector may request certain financial information and other documentation from Investors to share with lenders. Vector will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Investors.

Vector Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to pay for Vector Fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Investors that would not arise had Vector called smaller amounts of capital incrementally over time as needed by a Vector Fund. This risk would be heightened for an Investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Investor to meet the accumulated, larger capital calls at the same time. A Vector Fund is also permitted to utilize Vector Fund-level borrowing when Vector expects to repay the amount outstanding through means other than Investor capital, including as a bridge for equity or debt capital with respect to an investment. If the Vector Fund ultimately is unable to repay the borrowings through those other means, Investors would end up with increased exposure to the underlying investment, which could result in greater losses.

Risks associated with bankruptcy cases. The Vector Funds may invest in financially troubled companies and companies either currently in, or that may enter into, Chapter 11 bankruptcy or insolvency proceedings. Many of the events within bankruptcy or insolvency proceedings are

adversarial and are often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that bankruptcy courts would decide favorably toward, or consistent with the interests of, the Vector Funds. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management or functional operating control of a debtor.

As the duration of bankruptcy cases can be only roughly estimated, the reorganization process can involve substantial legal, professional, and administrative costs to a company or the Vector Funds, and is subject to unpredictable and lengthy delays. In addition, during the process a company's competitive position may erode, key management may depart, and the company may not be able to invest adequately. In some cases, a company may not be able to reorganize and may be required to liquidate assets. Decisions by Vector to invest in the debt of such companies involves a high degree of risk, as the debt of companies in the process of financial reorganization generally will not pay current interest, may not accrue interest during reorganization, and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

There exists a significant risk that the Vector Funds' influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, a class. In addition, certain administrative costs and claims (for example, claims for taxes) that have priority by law over the claims of certain creditors may be quite high.

The Vector Funds may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction or forfeiture by the Vector Funds.

Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing, and the classification, seniority, and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Competition. Identifying and completing attractive private equity and debt investments is highly competitive, reducing the number of investment opportunities available to a Vector Fund and adversely affecting the terms upon which investments can be made. Vector will be competing with other similar Investors and with financial institutions for the acquisition of investments. There can be no certainty that Vector will be able to identify and complete a sufficient number of attractive investments to meet Fund investment objectives or enable the full amount of capital committed to a Vector Fund to be invested.

Due Diligence. Although Vector makes every effort to conduct appropriate due diligence prior to making an investment, the due diligence process is subjective and may be required to be undertaken on an expedited basis in order to take advantage of available investment opportunities. Additionally, a Vector Fund may be relying on limited resources available to it in the due diligence process, including information provided by the target of the investment and third-party consultants, legal advisers, accountants, and investment banks. As a result, the due diligence investigation may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating an investment opportunity.

Exit Opportunities. Due to the illiquid nature of some of the positions which the Vector Funds may acquire, Vector is unable to predict with confidence what the exit strategy will ultimately be for any investment or that one will be available at an attractive price, or at all. Exit strategies which appear to be viable or profitable when an investment is initiated may be precluded or unprofitable by the time the investment is ready to be realized due to market, economic, legal, political, or other factors.

Economic & political risks. To the extent the Vector Funds make investments in companies organized, headquartered, or having substantial assets, outside of the United States, such investments may be subject to additional economic and political risks. Governments of many foreign countries have exercised and continue to exercise substantial influence over many aspects of the private sector. Accordingly, future government or military actions could have a significant effect on the economic environment in such countries, which could affect the availability, purchase price, and returns of portfolio investments of companies affected by such governments. For example, investments reliant on operating centers in Russia or Ukraine will be negatively impacted by ongoing military action and may be unable to relocate resources and staff.

Consumer, corporate, and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity or military conflicts, localized or global financial crises 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 the Vector Fund and its portfolio companies 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 the Vector Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Vector Funds' portfolio companies.

Market conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Vector Funds and may affect the Vector Funds' abilities to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Vector Funds' investments and could have a negative impact on the performance and valuation of the portfolio companies. The Vector Funds' performance can be affected by deterioration in the capital markets and by market events, which can impact the public market comparable earnings multiples used to value privately held portfolio companies and Investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Vector Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Vector Funds to sell or partially dispose of their portfolio company investments. Such adverse effects may include the requirement of a Vector Fund to pay break-up, termination, or other fees and expenses in the event such Vector Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) or the inability of such Vector Fund to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Vector Fund's ability to raise funding to support its investment objective.

Tariffs. The imposition of tariffs can have unintended consequences. They can make domestic industries less efficient by reducing competition. They can hurt consumers by driving prices up and can generate tensions by favoring certain industries over others, as well as certain regions. Tariffs could impact portfolio management.

Foreign currency & exchange rate risks. Fund assets and income of investments made outside the United States may be denominated in various currencies. Contributions and distributions, however, will be denominated in U.S. dollars. As a result, the return of the Vector Funds on any non-US investment may be adversely affected by fluctuations in currency exchange rates, any future imposed devaluations of local currencies, inflationary pressures, and the success of the investment itself. As a general policy, the Vector Funds do not intend to engage in hedging against currency risk. In addition, the Vector Funds may incur costs in connection with conversions between various currencies.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation, and application of consumer protection, data protection, and privacy laws and regulations ("Privacy Laws") in the United States, Europe, and elsewhere 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 Vector, the Vector Funds, and 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 Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Vector, the Vector Funds and their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted 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 Vector, the Vector Funds, and their portfolio companies.

Cyber Security Breaches and Identity Theft. Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners, may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. Vector, the Vector Funds, and their portfolio companies' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses, malware, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages, and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Such risks may be more prevalent in emerging markets where cybersecurity and compliance infrastructure may be less developed. Cyber-attacks may also take the form of socially engineered frauds, such as "phishing." Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of Vector's systems to disclose sensitive information in order to gain access to Vector's data or that of Investors or portfolio companies. Companies and service providers have also been subject to "ransomware" attacks.

Although Vector has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, Vector, a Vector Fund, or a portfolio company 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 or of disaster recovery plans for any reason could cause significant interruptions in Vector's, a Vector Fund's, or a portfolio company's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including confidential or proprietary client

information or personal information relating to Investors (and the beneficial owners of Investors). Such a failure could harm Vector's, a Vector Fund's, or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims, regulatory penalties, or otherwise affect their business and financial performance. Cyber threats and incidents could cause financial costs from the theft of Vector Fund assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to, litigation costs, preventative and protective costs, and remediation costs. In addition, Vector's, , a Vector Fund's, or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates or counterparties for incurred liabilities.

Further Vector, Vector Funds', Investors', and portfolio companies' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Such activities may also create liabilities in respect of Vector and its portfolio companies to third parties. Furthermore, Vector and its portfolio companies may be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages, and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes.

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

Inside information; inability to vote certain positions. From time to time, Vector expects to be in possession of material, non-public information concerning the issuer of securities in which a Vector Fund has invested, or in which it intends to invest. The possession of such information may limit

the ability of a Vector Fund to buy or sell such securities or other instruments. Accordingly, a Vector Fund may be required to refrain from buying or selling such securities or other instruments at times when Vector might otherwise wish such Vector Fund to buy or sell such securities or other instruments even if such information was obtained in the context of investment activities of other funds or accounts managed or advised by Vector. Additionally, in certain instances, an Investor (particularly if such Investor has designated an Advisory Committee representative or participates in a co-investment) may receive material non-public information that will limit such Investor's trading activities outside of the relevant Vector Fund. In addition, as a result of voting agreements or other arrangements relating to certain issuers, securities or instruments in which a Vector Fund is invested, Vector may also be subject to restrictions on their ability to vote or take other actions with respect to such issuers or securities. In such situations, Vector may not be able to vote or take other actions with respect to such issuers or securities in the manner that it otherwise would believe to be in the best interests of the Vector Funds.

Environmental, social, and governance. Vector maintains an environmental, social, and governance ("ESG") policy applicable to its investment activities and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory, or contractual requirements. The ESG policy may cause Vector not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of its ESG policy. There is no guarantee that Vector will be able to successfully implement its ESG policy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Vector, or any judgment exercised by Vector, will reflect the beliefs or values of any particular Investor. There are also significant differences in interpretations of what ESG characteristics mean by region, industry, and topic, as well as the interpretations of their scope and materiality. Vector's interpretations and decisions could differ from others' views and could also evolve over time. In addition, in evaluating an investment, Vector expects to depend upon information and data provided by a number of sources, including the relevant investments and various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Vector to incorrectly assess a company's ESG practices and related risks and opportunities. Vector does not intend independently to verify ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on Vector's view of certain ESG-related and other factors and could cause the relevant Vector Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG policies. For avoidance of doubt, however, Vector does not expect to subordinate a Vector Fund's investment returns or increase a Vector Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG integration and responsible investing practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Vector's adoption and adherence to various such principles, frameworks, methodologies, and tools is expected to vary over time. Therefore, Vector's approach to ESG integration may not align with the approach used by other asset managers or preferred by prospective Investors or with future market trends. Additionally, Vector may not be able to independently verify certain of the ESG information reported by portfolio companies. Further, Vector may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing, or other considerations. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement, and disclosure of ESG factors. Vector's ESG policies could become subject to additional regulation in the future, and Vector cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Vector Fund or its investments, including with respect to future administrative burdens and costs.

Impact of government regulation, reimbursement, and reform. Certain industry segments in which the Vector Funds generally intend to invest, including various segments of the technology industry, 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 industry segments may be highly dependent upon various government (or private) reimbursement programs. While the Vector Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the technology industry, 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 financial performance of the companies in which the Vector Funds invest.

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 t COVID-19, 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 Vector Funds.

In an effort to contain such health emergencies, national, regional, and local governments, as well as private businesses and other organizations, have taken or may take 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. Any such

measures may significantly diminish economic production and activity of all kinds and has contribute to volatility in financial markets.

The ultimate impact of any such health emergency — 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, but could have a significant adverse impact and result in significant losses to the Vector Funds. The extent of the impact on the Vector Funds' 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 Vector Funds 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 Vector Funds intend to pursue, all of which could adversely affect the Vector Funds' 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 Vector Funds, their portfolio companies, the General Partners, and Vector may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements, and other factors related thereto, 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.

Dependence on the Management Team. The Vector Funds will be dependent on the activities of the management team and will be particularly dependent upon the individual Principals. Vector will have sole discretion over the investment of the capital committed to a Vector Fund, as well as the ultimate realization of any profits. As such, the pool of funds in a Vector Fund represents a blind pool of funds. Therefore, the Vector Funds and the Investors will be relying on the management expertise of the Principals in identifying, acquiring, administering, and disposing of the Vector Fund's investments. Past investment performance by the Principals (individually or collectively) provides no assurance of future results. The Principals currently, and may in the future, manage other investment funds besides the Vector Fund, and the Principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the Principals. There can be no assurance that each of the investment professionals previously affiliated with Vector will continue to be affiliated with a

Vector Fund and Vector throughout a Vector Fund's anticipated term. There can be no assurance that Vector personnel will not be solicited by and join competitors or other firms or that Vector will be able to hire and retain any new personnel or add to its roster of investment professionals, or that any new personnel or replacements will perform well. The loss of any individual Principal could have a material, adverse effect on a Vector Fund. Additional members may be admitted to a General Partner following a Vector Fund's initial closing, and the Investor will have no power to prevent any specific person from being admitted to a General Partner as a member thereof. If for any reason the Principals should cease to be involved in the investment management of a Vector Fund, suitable replacements may be difficult to obtain, with the result that the performance of the Vector Fund may be adversely affected.

Advisory Committee. The relevant General Partner will appoint one or more Investor representatives to the relevant Advisory Committee. In addition, representatives of an Advisory Committee may have various business and other relationships with Vector and its partners, employees, and affiliates. These relationships may influence their decisions as members of an Advisory Committee.

Such Investors have the potential to disproportionately represent one or more of the vehicles or categories of Investors comprising the relevant Vector Fund. Such Investors will, from time to time, have interests in multiple Vector Funds, funds managed by other private equity sponsors, or direct interests in existing or prospective portfolio companies of a Vector Fund. To the extent members of an Advisory Committee or Investors vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action thereby, such Investors may not vote (and will be exculpated from liability for not voting) solely in accordance with their interests related to the relevant Vector Fund and may vote in a manner that is beneficial to such Investors' other interests at the expense of such Vector Fund. For example, certain Advisory Committee members will occasionally also be members of the advisory committees of other Vector Funds where they have more substantial investments and therefore may be required to vote, among other matters, on issues regarding conflicts between a Vector Fund on the one hand and such other Vector Funds on the other hand. Such Investors are unrestricted from voting, do not owe the relevant Vector Fund or any other Investor any fiduciary duties (as may be further provided for in the applicable Governing Fund Documents), and have the potential to affirmatively vote in a manner that is in their own interest and adverse to the interest of other Investors and the Vector Fund, including where it may benefit a co-investment opportunity, or a position held outside of the Vector Fund. Additionally, it is expected that Investors who designate representatives to participate on an Advisory Committee may, by virtue of such participation, have more information about the relevant Vector Fund and portfolio investments in certain circumstances than other Investors generally and may be disseminated information in advance of communication to other Investors generally. Although such Investors are subject to confidentiality obligations, there is no guarantee that such persons will not use information received as a member of the Advisory Committee for purposes unrelated to, and potentially harmful to, the relevant Vector Fund.

Insufficient Capital for Follow-On Investments. Following its initial investment in a portfolio company, a Vector Fund may have the opportunity to increase its investment in successful operations or may be asked to provide additional funds to such 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 is no assurance that a Vector Fund will make follow-on investments or that the Vector Fund will have sufficient available capital or capacity under any credit agreements to, or be permitted to (including as a result of regulatory restrictions), make such investments, or to make an investment up to its full allocation. Any decision not to make follow-on investments, or a Vector Fund's inability to make them, may have a substantial negative effect 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), may result in missed opportunities for the Vector Fund, or result in dilution of the Vector Fund's investment (including if a third party or co-investor is permitted to invest).

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Vector Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Vector Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Vector Fund, its General Partner, or Vector who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Vector Fund. This creates potential incentives for Vector to cause a Vector Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

LIBOR and other Benchmark Rates. To the extent that a Vector Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other benchmark or reference rates (each, a "Benchmark Rate"), the Vector Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Vector Funds and their portfolio

companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other GP-Led Transactions. There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by Vector following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing Investors and maintaining exposure to an asset where Vector believes there is the potential for additional value generation. Where undertaken, existing Investors typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Vector Funds). However, certain of such transactions are expected to require an Investor to invest additional capital in the existing Vector Fund or other investment vehicles, a greater exposure to one or more particular portfolio company, or a delay in the full liquidation of its investment. In other circumstances, even Investors that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Vector Fund or Investor and those of Vector or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Vector or an affiliate will continue to manage and receive fees or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of Investors who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Vector Fund, Vector, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investments subject to the transaction. Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as Investors in the relevant Vector Fund, and in such circumstances Vector reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain

Investors will not be permitted to continue to maintain exposure to the assets due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to Investors and the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Vector will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of a Vector Fund or any individual Investor or group of Investors. However, Vector reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Fund Documents.

Financial Institution Risk; Distress Events. An investment in a Vector Fund is subject to the risk that one of the Vector Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Vector Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Vector, the Vector Funds or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Vector to manage the Vector Funds and their investments, and on the ability of Vector, any Vector Fund and portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Vector Fund being required to pay fees and expenses in the event the Vector Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Vector Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Vector expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Vector or the relevant Vector Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliates (each, a “Custodian”), which heightens the risks associated with a Distress Event with respect to such Custodians. Although Vector seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Vector Funds, Vector is under no obligation to use a minimum number of Custodians with respect to any Vector Fund, or to maintain account balances at or below the relevant insured amounts.

Investment Risks– Equity Funds

Investments in unseasoned companies. The Equity Funds may invest a portion of assets in privately-held, technology companies without histories of profit and stability. Such investments involve a high degree of business and financial risk that result in substantial losses. These companies may require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Typically, although the Equity Funds may be represented by at least one person associated with Vector on a portfolio company’s board of directors, each portfolio company will be managed on a day-to-day basis by its own officers (who generally will not be affiliated with Vector). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Buyouts, spinouts, divestitures, take-private investments. The Equity Funds intend to invest a significant portion of their assets in buyouts, spinouts, divestitures, take-private transactions, turnarounds, and corporate restructurings. Such investments are usually made in distressed companies with troubled operations, organization, management, products, or services. Such portfolio companies are generally mature and may have had a history of substantial negative operating results. As a result, the Equity Funds will likely be required to invest substantial amounts of capital and time in such entities. The Equity Funds would make such investments under the assumption that Vector will be able to assist with the turnaround of such companies. There is no guarantee that the Equity Funds will have sufficient capital to support such portfolio companies or that Vector will possess, or properly use, the skills or resources necessary to achieve a positive result. In addition, if Vector is unable to effectively assist such distressed companies, there is significant risk that the Equity Funds will not be able to recoup any of its investment in such entity. Furthermore, such investments generally require a considerable amount of Vector’s time and human capital. As such, the period within which a gain, if any, would be realized from such investments may be considerably longer than other investments.

PIPE investments. The Equity Funds may also make investments in the securities of portfolio companies that have gone public and in the securities of other publicly traded companies. Such public company securities may be thinly traded, relatively illiquid, or may cease to be publicly traded after the Equity Funds invest. These investments may also be in PIPE investments (*i.e.*, private investments in public equities) that the Equity Funds will generally not be able to sell or distribute unless the securities are registered under applicable securities laws or an exemption from such registration is available. In addition, since the Equity Funds may take large ownership positions as part of PIPE transactions, even after the securities are saleable, it may take a significant period of time for them to be sold or distributed in an orderly manner during which time profit could have otherwise been realized or loss avoided, and in some cases the Equity Funds may be prohibited by contract or law from selling such public company securities for a period of time. In addition, the Equity Funds' sales of thinly traded securities could depress the market value of such securities. These circumstances or events could reduce the Equity Funds' profitability. Disposition of the Equity Funds' public company investments may result in distributions-in-kind to Investors.

Availability of investment capital. Investments in both growing and distressed companies often require a large initial investment with a commitment of continued financial support. If an Investor does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the portfolio company and the value of such Investor's original investment. Although it will be the Equity Funds' policy to maintain sufficient liquidity to allow it to participate in follow-on rounds of financings, the Equity Funds may not intend to provide all necessary follow-on financing. In such cases, third-party sources of financing will be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to the Equity Funds. Additionally, such failure to make such investments may result in a lost opportunity for the Equity Funds to increase its participation in a successful portfolio company.

Lack of liquidity within investment portfolio. The marketability and value of each of the Equity Funds' investments will depend upon many factors beyond Vector's control. Generally, the investments made by the Equity Funds will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of the Equity Funds' investment, a portfolio company may lack one or more key attributes (*e.g.*, operational stability, consistent profitability, or management team) necessary for success. There may be no readily available market for the Equity Funds' investments, and the disposal of a portfolio investment by the Equity Funds may be prohibited or delayed many years from the date of initial investment for legal, contractual or regulatory reasons. The public market for software and information technology companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Equity Funds to dispose of investments, and the value of investment securities on the date of sale or distribution by the Vector Funds.

Risks of certain dispositions. In connection with the disposition of an investment in a portfolio company or otherwise, the Equity Funds may be required to make (and be responsible for another person's or entity's breach of) representations and warranties, including about the business and financial affairs of the portfolio company, the condition of its assets, and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, or may be responsible as a selling stockholder for certain contents of disclosure documents under applicable securities laws. The Vector Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Equity Funds.

Non-controlling investments. The Equity Funds may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. However, as a condition to an investment in a portfolio company, it is expected that appropriate rights generally will be sought to protect the Equity Funds' interests to the extent possible. There can be no assurance that such minority shareholder rights will be available. Furthermore, an Equity Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Equity Fund is not affiliated and whose interests may conflict with the interests of the Equity Fund. As is the case with minority holdings in general, such minority stakes that the Equity Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Equity Funds hold a minority stake, it may be more difficult for the Equity Funds to liquidate their interests than it would be had the Equity Funds owned a controlling interest in such company. Even if the Equity Funds have contractual rights to seek liquidity of such Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Equity Funds, especially in cases where the interests of the other Investors in such company have different business and investment objectives and goals. In addition, in the event that the Equity Funds make minority or non-control equity investments in portfolio companies, there is a possibility that the portfolio companies may be controlled or influenced by persons who have economic or business interests or goals or tax or other considerations that differ from or are inconsistent with those of the Equity Funds or their Investors or may be in a position to take action contrary to the Equity Funds' business, tax or other interests, and the Equity Funds may not be in a position to limit such contrary actions or otherwise protect the value of the Equity Funds' investments.

Controlling investments. The Equity Funds may own a majority of a portfolio company and be able to elect one or more of its directors. With respect to an investment in a distressed company, Vector may elect to insert certain of its employees or affiliates into key management positions within such company to assist in the entity's turnaround. As a result, the Equity Funds may be viewed as

controlling such a portfolio company, or being a controlling shareholder. To the extent the valuation of such a portfolio company decreases, the Equity Funds may be exposed to lawsuits by discontented minority or other shareholders. Even if such lawsuits prove to be without merit, the Equity Funds may be required to expend significant resources defending itself and its affiliates.

Investments in Public Companies. An Equity Fund's investment portfolio may contain securities or instruments issued by publicly held companies. Such portfolio investments may subject the Equity Fund to risks that differ in type or degree from those involved with portfolio investments in privately held companies. Such risks include, without limitation, movements in the relevant stock market and trends in the economy, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limited trading volume of such securities relative to the scale of the Equity Fund's ownership, limitations on the ability of the Equity Fund to dispose of such securities or instruments at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' board members (which may include Vector personnel), regulatory action by the SEC or other regulatory agencies, and increased costs associated with such risks.

SPAC investments. The Equity Funds hold founder shares and warrants issued to sponsors of SPACs sponsored by Vector. The sponsors are portfolio investments of the Equity Funds, which provided the risk capital to the SPACs. The underwriting commission and other expenses of the initial public offering of a SPAC and sourcing, performing due diligence, and negotiating the initial business combination for a SPAC involve substantial costs for underwriters, accountants, attorneys, and others. If Vector is unable to reach an agreement for an initial business combination, the costs incurred would not be recoverable. Furthermore, if Vector reaches an agreement with a specific target business, the transaction may fail to close for any number of reasons, including those beyond our control, in which case the costs incurred would not be recoverable and the ability of the SPAC to subsequently source and complete an initial business combination with another target would be adversely affected. An Equity Fund may also commit to purchase additional securities of a SPAC upon closing of the initial business combination, along with other Investors in the PIPE offering. See *PIPE Investments* above for additional risk factors.

Other SPAC sponsors formed by Vector or its personnel may not be held as portfolio companies of the Equity Funds, which may create potential conflicts of interest. Such SPACs may source target companies that may be appropriate investment opportunities for the Equity Funds, including SPACs that are portfolio companies of the Equity Funds, and Vector will make allocation decisions regarding such opportunities in accordance with its Allocation Policy. Furthermore, regardless of whether or not the sponsor of the SPAC is a portfolio company of the Equity Funds, Vector's team, deal prospects, and network, along with any necessary resources to aid in the identification, diligence, and operational support of an initial business combination will be leveraged by the SPAC. SPACs that are not sponsored by the Equity Funds may provide economic incentives to the

Vector Team to dedicate time and resources to such SPACs rather than to an Equity Fund, subject to the time and attention requirements in each Equity Fund's Governing Fund Documents.

Investment Risks – Credit

The Credit Funds may invest in certain debt investments, which can create various risks for the Vector Funds. For example, debt investments will typically not provide the holders with any governance rights, and so the Credit Fund's ability to influence the success of such investment may be significantly limited; further the market for selling debt may not be as liquid as the market for selling public equity securities, which will constrain the ability of a Vector Fund to sell the investment at the best time. The Credit Fund's investment may be in debt that is subordinate to other outstanding indebtedness of a portfolio company, which exacerbates the risk that the value of the investment will be impaired if the portfolio company does not perform. Finally, one of the fundamental risks associated with the Vector Funds' debt investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due.

Investments in Distressed Debt. The Credit Funds may invest in distressed debt securities and instruments. Investments in distressed debt securities and instruments are inherently speculative and are subject to a high degree of risk. Companies experiencing financial distress are often those operating at a loss or with substantial variation in operating results from period to period. Distressed companies may have the inability to service their debt obligations during an economic downturn or periods of rising interest rates, may not have access to more traditional methods of financing and may be unable to repay debt by refinancing. The value of distressed debt securities and instruments tends to be more volatile and may have an increased price sensitivity. Distressed debt securities and instruments are often unsecured and may be subordinated to senior debt.

Priority of Credit Investments. The Credit Fund may invest in a variety of different types of structured equity and debt, including senior secured loans. If the Credit Fund makes a senior secured loan to a portfolio entity, it generally shall take a security interest in the available assets of the portfolio entity. However, there is a risk that the collateral securing the Vector Fund's loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio entity to raise additional capital.

The Credit Fund may also invest in second lien or other subordinated loans (including "mezzanine" loans). In the event of a loss of value of the underlying assets that collateralize the loans, the subordinate portions of the loans may suffer a loss prior to the more senior portions suffering a loss.

The Credit Fund may invest in unsecured loans which are not secured by collateral. In the event of default on an unsecured loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for an unsecured holder and therefore

result in a loss of investment to the Vector Fund. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

Fixed income securities and loans. The Credit Funds will invest in bonds or other fixed income securities of U.S. and non-U.S. issuers, including bank debt, bonds, notes, debentures, and commercial paper, as well as derivatives thereon. Fixed income securities pay fixed, variable, or floating rates of interest. The value of fixed income securities in which the Credit Funds invest may change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities and bank loans can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability, or soundness of economic policies. Fixed income securities and bank loans are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (*i.e.*, market risk).

Bank loans. The Credit Funds' investment program may include investments in significant amounts of bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of Vector to directly enforce its clients' rights with respect to participations. In analyzing each bank loan, Vector compares the relative significance of the risks against the expected benefits of the investment.

Because of the provision to holders of such loans of confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to the high-yield bond market.

Low quality distressed credit. There is no minimum credit standard that is a prerequisite to the Credit Funds' investment in any security. The Credit Funds may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings. Although these securities may offer the potential for high returns, they also may involve substantial financial and business risks that can result in substantial or at times even total losses. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by U.S. state and federal laws and

foreign laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the U.S. Bankruptcy Court's power to disallow, reduce, subordinate, or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic price movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (*e.g.*, due to failure to obtain requisite approvals), will be delayed (*e.g.*, until various liabilities, actual or contingent, have been satisfied), or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Credit Funds of the security in respect to which such distribution was made.

Participation on Creditors' Committees. Vector employees may serve on committees formed by creditors ("Creditors' Committees") to negotiate with the management of financially troubled companies that may or may not be in bankruptcy. Vector may also seek to negotiate directly with debtors with respect to restructuring issues. Even if Vector chooses to join a Creditors' Committee, there can be no assurance that it would be successful in obtaining results favorable to clients in such proceedings, and clients may incur significant legal fees or other expenses in attempting to do so, as Creditors' Committees generally consist of many participants, each of which attempts to obtain an outcome that is in its individual best interests. As a result of Vector's service on such Creditors' Committees, Vector may be deemed to have duties to other creditors represented by the Creditors' Committees, which might thereby expose the Credit Funds to liability to such other creditors who disagree with Vector's actions.

Vector employees may serve on Creditors' Committees or other groups to ensure preservation or enhancement of the Credit Funds' position as a creditor. A member of any such Creditors' Committee or group may owe certain obligations generally to all parties similarly situated that the Creditors' Committee represents. If Vector concludes that its obligations owed to the other parties as a Creditors' Committee or group member conflict with its duties owed to the Credit Funds, it will resign from that Creditors' Committee or group, and the Credit Funds may not realize the benefits, if any, of Vector's service on the Creditors' Committee or group. Additionally, if the Credit Funds are represented on a Creditors' Committee or group, they may be restricted or prohibited under applicable law from disposing of investments in the subject company while they continue to be represented on such Creditors' Committee or group.

"Widening" risk. For reasons not necessarily attributable to any of the risks set forth herein (*e.g.*, supply/demand imbalances or other market forces), the prices of the securities in which the Credit Funds invest may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

Derivatives. The Credit Funds may invest in complex derivative instruments that seek to modify or replace the investment performance of particular securities or other investments on a leveraged or unleveraged basis. These instruments generally have counterparty risk and may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the Investor. These investments are all subject to additional risks that can result in a loss of all or part of an investment, in particular, interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Derivatives may have leverage embedded in them that can substantially magnify market movements and result in losses greater than the amount of the investment. Some of the markets in which the Credit Funds may effect derivative transactions are over-the-counter (“OTC”) or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Credit Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty (See “—Counterparty Risk,” below).

Options. The Credit Funds may buy or sell (write) both call options and put options (either exchange-traded, OTC, or issued in private transactions) for the Credit Funds, and when it writes options it may do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the class and amount of those as to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Credit Funds’ options transactions may be part of a hedging tactic (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the Credit Funds have the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions the Credit Funds may enter into.

When the Credit Funds buy an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, would result in a total loss of the Credit Funds’ investment in the option (including commissions). When the Credit Funds sell (write) an option, the risk can be substantially greater than when they buy an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. Theoretically, the risk is unlimited unless the option is “covered.”

Credit default swap agreements. The “buyer” in a credit default contract (a “credit default swap agreement” or “CDS”) is obligated to pay the “seller” a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, or obligation acceleration. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the “par value” (full notional value) of the reference

obligation. The contingent payment may be a cash settlement or physical delivery of the reference obligation in return for payment of the face amount of the obligation. The Credit Funds may be either a buyer or seller in the transaction. If the Credit Funds are a buyer and no credit event occurs, the Credit Funds may lose its investment (or premium) and have no recovery. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. As a seller, the Credit Funds receive a fixed rate of income throughout the term of the CDS, which typically is between one month and five years, provided that no credit event occurs.

Credit default swaps involve greater risks than if the Credit Funds had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. A buyer also may lose its investment and recover nothing should no credit event occur. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Credit Funds.

Given the recent sharp increases in volume of credit derivatives trading in the market, settlement of such contracts may also be delayed beyond the time frame originally anticipated by counterparties. Such delays may adversely affect the Credit Funds' ability to otherwise productively deploy any capital that is committed with respect to such contracts.

Counterparty risk. Some of the markets in which the Credit Funds may effect transactions are OTC or "interdealer" markets. The participants in such markets typically are not subject to the same credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such OTC transactions. This exposes the Credit Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Credit Funds to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Credit Funds has concentrated its transactions with a single or small group of counterparties. Vector is not restricted from dealing with any particular counterparty or from concentrating any or all of the Credit Funds' transactions with one counterparty. Moreover, Vector has no formal credit function which evaluates the creditworthiness of the Credit Funds' counterparties. The ability of the Credit Funds to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Credit Funds.

Illiquid investments; special investments. The Credit Funds may make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists, such as private

placements. Illiquidity increases risk and volatility and may make it impossible to close out positions against which the market is moving or to realize such positions' value at the time of sale. Vector may designate certain of the Credit Funds' illiquid investments as Special Investments, and place them in Special Investment Accounts, which the Credit Funds generally will account for separately until liquidated or marked to market, which may be for a period of several years.

Short selling. The Credit Funds may engage in short selling as part of its investment strategies. A short sale involves the sale of a security that a client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the client must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases, respectively, between the date of the short sale and the date on which the client covers its short position (*i.e.*, purchases the security to replace the borrowed security). A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

Highly volatile markets. The prices of securities and derivative instruments, including futures and options prices, may be highly volatile. Price movements of securities, forward contracts, futures contracts and other derivative contracts in which the Credit Funds may invest are influenced by, among other things: interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; and U.S. and international political and economic events and policies. In addition, governments from time to time intervene, directly or by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Credit Funds also is subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses.

Other hedging strategies. The Credit Funds, directly or indirectly, may opt to use a variety of financial instruments such as derivatives, options, swaps, caps and floors and forward contracts, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Credit Funds' investment portfolio resulting from fluctuations in the securities markets and changes in interest rates, (ii) protect the Credit Funds' unrealized gains in the value of the Credit Funds' investment portfolio, (iii) facilitate the sale of any such investments, (iv) establish a position as a temporary substitute for other securities, (v) enhance or preserve returns, spreads or gains on any investment in the Credit Funds' portfolio, (vi) hedge the interest rate or currency exchange rate on any of the Credit Funds' liabilities or assets, (vii) protect against any increase in the price of any securities the Credit Funds anticipates purchasing at a later date, or (viii) for any other reason that Vector deems appropriate.

Vector is not required to attempt to hedge portfolio positions in the Credit Funds and, for various reasons, may not do so. While the Credit Funds may enter into hedging transactions in seeking to reduce risk, such transactions may result in a poorer overall performance for the Credit Funds than if it had not engaged in any such hedging transaction. For a variety of reasons, Vector may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Credit Funds from achieving the intended hedge or expose the Credit Funds to risk of loss. The success of the hedging strategy of the Credit Funds is subject to Vector's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Credit Funds' hedging strategy is also subject to Vector's ability to recalculate continually, readjust and execute hedges in an efficient and timely manner. Moreover, it should be noted that the portfolio always will be exposed to certain risks that cannot be hedged, such as certain credit risk (relating both to particular securities and counterparties with respect to which CDS protection is unavailable), "liquidity" risk and "widening" risk. Additionally, there can be no assurance that adequate hedging arrangements will be available on an economically viable basis.

Item 9: Disciplinary Information

Neither Vector nor its employees have been involved in any legal or disciplinary events in the past ten years that would be material to an Investor's or a prospective Investor's evaluation of Vector or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

Vector is affiliated with a group of entities (identified below) that serve as general partners to the private funds listed below (each, a "General Partner," collectively, the "General Partners"). Each General Partner is subject to the Advisers Act pursuant to Vector Capital Management L.P.'s registration in accordance with SEC guidance. This brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Vector Capital Management L.P.

Vector Capital Partners VI, L.P.	Serves as general partner to Vector Capital VI, L.P.
Vector Capital Partners V, L.P.	Serves as general partner to Vector Capital V, L.P. and Vector Entrepreneur Fund V, L.P.
Vector Capital Partners IV, L.P.	Serves as general partner to Vector Capital IV, L.P.
Vector Capital Partners III, L.P.	Serves as general partner to Vector Entrepreneur Fund III, L.P.

VCP Credit, LLC	Serves as general partner to Vector Capital Credit Opportunity Master Fund, L.P. and Vector Capital Credit Opportunity Fund, L.P.
Vector Capital Partners II/III Extension, L.P.	Serves as the general partner to Vector Capital II/III Extension, L.P.

Employees of Vector typically serve as directors of Vector Fund portfolio companies and, in that capacity, will be required to make decisions in the best interests of such portfolio companies and their shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, decisions that may be in the best interests of the portfolio company may not be in the best interests of the Vector Funds, and vice versa. In these situations, there will be conflicts of interest between such individual's duties as an employee of Vector and their duties as a director of such portfolio company. Vector addresses such conflicts on a case-by-case basis, with the assistance of the respective Advisory Committees of the Equity Funds.

Although Vector generally does not permit employment for compensation separate from employment with Vector, the Principals and the rest of the Vector Team are permitted to engage in certain outside business activities, such as service on a board of directors, which also has the potential to result in conflicts of interest. Pursuant to Vector's Code of Ethics (the "Code"), such activities are subject to the approval of its Chief Compliance Officer, which approval will only be granted on a case-by-case basis subject to a review of: (i) potential conflicts of interest; (ii) disclosure obligations; and (iii) any relevant regulatory issues. An employee that subsequently becomes aware of a material conflict of interest that was not disclosed when approval was granted must promptly report the conflict to Vector.

Vector personnel involved in Investor solicitation activities on behalf of the Credit Funds are permitted to receive compensation in connection with such efforts. A potential conflict of interest exists, as the receipt of compensation would provide an incentive to recommend an investment based on compensation and not the best interest of the Investor.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), Vector has established a Code of Ethics (the "Code") which sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest. Among other things, the Code establishes guidelines for dealing with clients ethically, making personal trading and investments, and appropriately managing conflicts of interest. The Code is applicable to the Vector Team, and all other employees of Vector and certain independent contractors. A copy of the Code is available upon request.

Employee Trading. Vector and Vector employees reserve the right to purchase and sell securities for their own accounts, subject to restrictions and reporting requirements set forth in the Code and Vector's fiduciary duty to its clients and to buy or sell securities or other instruments that Vector has recommended to a Vector Fund, subject to the terms of the relevant Governing Fund Documents and restrictions and reporting requirements as may be required by law or otherwise determined from time to time by Vector. Employees and related persons of Vector have, and are expected to continue to have, capital investments in or alongside Vector Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments. Vector requires pre-clearance before purchasing or selling securities; requires periodic reporting of personal securities transactions and holdings; and requires prompt internal reporting of Code violations. Vector endeavors to maintain current and accurate records of all personal securities accounts of its employees in an effort to monitor all such activity.

Vector 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 the foregoing. Principals and Vector's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Vector Fund. Following the investment period of a Vector Fund, Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Vector Fund's investments.

Vector generally prohibits employees from purchasing or selling public securities of companies about which Vector may have material non-public information. Such companies will appear on a "restricted list." Employees may not purchase or sell any securities of any company on the restricted list.

Vector and Employee Investments in Vector Funds, alongside Vector Funds. The general partner will typically be committed to contribute 2% to 5% of the capital of each Equity Fund. In addition, certain employees may be permitted to invest an additional amount in the Equity and Credit Funds or in particular investments by the Equity Funds alongside the Vector Funds (as described below). Vector must seek the approval of the relevant Advisory Committee of an Equity Fund prior to making an investment that might reasonably be viewed as investment opportunities for such Equity Fund.

Subject to any restrictions in the Governing Fund Documents, from time to time, one or more Vector employees are expected to be offered the opportunity to invest in one or more portfolio companies

of the Vector Funds alongside the Vector Funds. Although the amount to be invested in any such portfolio company by such employees is not expected to be material, any such allocation of investment opportunities to such employees will present potential conflicts of interest in light of certain investment opportunities being allocated away from the Vector Fund and such employees having asymmetrical information with respect to one or more such portfolio companies which may result in such employees increasing their participation in the investments expected to offer the highest returns (thereby diluting the participation of the Investors in the Vector Funds) while limiting their participation in less attractive opportunities (thereby causing Investors in the Vector Funds to have higher exposure).

Time and Attention. One or more of the Principals will, in certain circumstances, spend a portion of their business time and attention pursuing investment opportunities that do not fall within the investment objectives of one or more Vector Funds. Vector believes that the significant investment of the Principals in the Vector Funds, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Investors, although the Principals have economic interests in multiple Vector Funds as well and receive management fees and carried interests relating to these interests. At such time as Vector is permitted to raise a successor investment fund to a Vector Fund, the Principals will continue to manage such Vector Fund's investments, but likely will focus investment activities on other opportunities and areas unrelated to the Vector Fund's investments. Certain investments are permitted to be allocated between a Vector Fund and any successor or predecessor fund to it in a manner as set forth in the relevant Governing Fund Documents. Unless restricted by the Governing Fund Documents, Vector personnel are also permitted to serve on boards or act in other roles unaffiliated with Vector, the Vector Funds 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, none of which will offset or otherwise reduce management fees.

Allocation of Investments Among Vector Funds. Over time, certain investment opportunities suitable for one Vector Fund are likely also to be suitable for other Vector Funds. From time to time, Vector will determine that it is reasonable and appropriate to allocate investment opportunities, including investments in Vector-sponsored SPACs, among Vector Funds and members of the Vector Team. Such allocations create conflicts of interest among the Vector Funds and between Vector and the Vector Funds. To the extent an investment opportunity is received that is unsuitable for a Vector Fund, in Vector's sole discretion, Vector and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity.

Vector has adopted written policies and procedures relating to the allocation of investment opportunities among Vector Funds and members of the Vector Team intended to address these

conflicts of interest. To determine whether a Vector Fund will participate in the relevant investment opportunity, Vector generally assesses whether an investment opportunity is appropriate for each relevant Vector Fund based on the terms of such Vector Fund's Governing Fund Documents, as well as factors including but not limited to: (i) investment objectives and strategies of the relevant Vector Fund; (ii) size of the investment relative to remaining callable capital; (iii) future capital needs of the underlying portfolio company; (iv) planned duration of the investment relative to the remaining life of the Vector Fund; (v) legal and regulatory restrictions; (vi) and other considerations relevant at the time.

Furthermore, an Advisory Committee has been established for each Equity Fund to address potential conflicts of interest between and among Vector and the Vector Funds on the Equity Funds' behalf. Vector must seek the approval of the relevant Advisory Committee of an Equity Fund prior to: (i) investing, on behalf of one Vector Fund, in companies that are owned by another Vector Fund; and (ii) making principal investments that might reasonably be viewed as investment opportunities for the Equity Funds. The Advisory Committees have approved guidelines for purchases of debt securities by Vector Funds, including purchases allocated to more than one Vector Fund and purchases of debt securities of a company in which another Vector Fund holds equity securities. Additionally, there are guidelines to follow in the case of purchasing debt securities of a company across Vector Funds. The Advisory Committees review such allocations and adherence to approved guidelines on an annual basis. An Advisory Committee for the Credit Funds has not been established.

Vector's allocation of investment opportunities among the Vector Funds, often will not be proportional. Therefore, such allocations likely will be more advantageous to one Vector Fund relative to one or all of such other Vector Funds, or vice versa. While Vector will allocate investment opportunities in a way that it believes is fair and equitable to each Vector Fund, there can be no assurance that one Vector Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Vector expects to be subject did not exist.

Investments by Multiple Vector Funds. Conflicts of interest can arise if a Vector Fund makes an investment in a portfolio company in conjunction with an investment made by another Vector Fund. For instance, one Vector Fund may not invest through the same investment vehicles, have the same access to credit, or employ the same hedging or investment strategies as such other Vector Fund. This will likely result in differences in price, investment terms, leverage, and associated costs between the Vector Funds. Where multiple Vector Funds invest in the same company at different times, the first Vector Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Vector Funds; similarly, to the extent a transaction does not proceed, the first Vector Fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Vector Funds could or would have invested in the company in potential future transactions. There can be no assurance that either Vector Fund(s)

will exit the investment at the same time or on the same terms, and there can be no assurance that one Vector Fund's return on such an investment will be the same as the returns achieved by another Vector Fund participating in the transactions. Vector and its affiliates reserve the right from time to time to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to any Vector Fund.

Vector reserves the right to structure an investment as a result of which one or more vehicles or other collective investment vehicles or accounts primarily investing in senior secured loans, distressed debt, subordinated debt, high-yield securities, and other similar debt instruments are offered the opportunity to participate in the debt tranche of an investment allocated to a Vector Fund. Additionally, one Vector Fund may purchase investments in which another Vector Fund already has an interest, and may do so at different points in time. As investment adviser to both the Vector Funds, Vector would owe a fiduciary duty to each Vector Fund. If one Vector Fund were to purchase high yield securities or other debt instruments of a portfolio company of another Vector Fund, or if one Vector Fund were to acquire an equity interest in a portfolio company in which another Vector Fund then holds an interest in the debt of such portfolio company, Vector has the potential to, in certain instances, face a conflict of interest in respect of decisions made with regard to each of the relevant Vector Funds (*e.g.*, with respect to the terms of such high-yield securities or other debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). For example, questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, one Vector Fund may or may not provide such additional capital, and, if provided, such Vector Fund generally would supply such additional capital in such amounts, if any, as determined by Vector in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Vector expects in such event to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of multiple Vector Funds (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations, and the resolution of workouts or bankruptcies). If one Vector Fund enters into any indebtedness with another Vector Fund on a joint and several basis, Vector is expected to enter into one or more agreements that provide either Vector Fund with a right of contribution, subrogation, or reimbursement. In administering, or seeking to reinforce, these agreements, Vector expects to be subject to potential conflicts of interest, for example between a fund with a reimbursement obligation and a fund seeking reimbursement. In certain circumstances a Vector Fund is expected to be prohibited from exercising (or Vector may deem it appropriate to refrain

from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investments of such Vector Fund may be subject to creditor claims regarding subordination of interests. Vector intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause the relevant Vector Funds to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Vector Funds are also permitted to co-invest with one another (including co-investment or other vehicles in which Vector or its personnel invest and that co-invest with such Vector Funds) in investments that are suitable for multiple Vector Funds. To the extent one Vector Fund holds securities or instruments that are different (including with respect to their relative seniority) than those held by such other Vector Funds, Vector and its affiliates may be presented with decisions when the interests of the two funds are in conflict (as described above). In that regard, actions will likely be taken for one Vector Fund that are adverse to another Vector Fund, and vice versa. In addition, it is possible that in a bankruptcy proceeding one Vector Fund's interest may be subordinated or otherwise adversely affected by virtue of such other Vector Fund's involvement and actions relating to its investment. In connection with negotiating senior loans and bank financings in respect of Vector-sponsored private equity transactions, Vector may obtain the right to participate on its own behalf (or on behalf of vehicles or accounts that it manages) in a portion of the senior term financings with respect to such Vector-sponsored private equity transactions on an agreed upon set of terms.

Principal and Cross Transactions. Vector has the potential to participate in "principal transactions" or "cross trades" (as defined below). In cases where Vector acts as a principal for its own account (i.e., Vector and its control persons in the aggregate own greater than 25% of a Vector Fund or a portfolio company), and Vector is seeking to effect a transaction that would be deemed a principal transaction, Vector will disclose to the relevant Vector Fund's Advisory Committee in writing the capacity in which Vector is acting and receive consent from the Advisory Committee. A "cross trade" occurs where it is advantageous to affect a securities transaction between two Vector Funds. In the event that a cross trade would be in the best interests of both Funds and permitted under the Governing Fund Documents of each Vector Fund, Vector is permitted to affect the cross trades in accordance with the respective Governing Fund Document.

Vector reserves the right from time to time to cause a Vector Fund to enter into a transaction whereby the Vector Fund purchases securities from, or sells securities to, one or more other Vector Funds, or co-investors or co-investment vehicles. Such transactions have the potential to arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Vector Fund is acquired by a portfolio company acquired by another Vector Fund. Certain of such transactions raise potential conflicts of interest, including where the investment of one Vector Fund supports the value of portfolio companies owned by another Vector Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the

underlying investment's fair value. To the extent required by the Governing Fund Documents or otherwise in the sole discretion of Vector, Vector reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Vector) or by obtaining the consent of the relevant Vector Funds (including, where authorized, the consent of each Vector Fund's Advisory Committee) to such transactions. In certain circumstances, Vector reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction (including its value) to the Vector Fund under then-current market conditions. Vector intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Vector Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Vector Fund.

For the avoidance of doubt, to extent permitted by the relevant Governing Fund Documents, one Vector Fund is permitted to sell investments to any third party, including Investors in the Vector Fund, other Vector Funds, or its affiliates and Investors in any such other Vector Funds.

Co-Investment Opportunities. To the extent that a particular investment opportunity exceeds the desired allocation to the Vector Funds in the aggregate in view of the factors above, Vector is permitted to offer co-investment opportunities to Vector Fund Investors, affiliates, or third parties. Vector decides whether and to whom to offer co-investment opportunities.

Conflicts of interest will likely arise in the allocation of co-investment opportunities. The allocation of co-investment opportunities, which are expected to be made to one or more persons for any number of reasons as determined by Vector in its sole discretion, have the potential to not be in the best interests of a Vector Fund or any individual Investor therein. Co-investors are expected to include, without limitation, other Vector Funds, its officers, directors, employees, managers, members, partners, advisors, agents, consultants, deal-sourcers, and affiliates or third parties, and there is no guarantee that any Investor will be offered any co-investment opportunities. In exercising its sole discretion in connection with the allocation of co-investment opportunities to co-investors, Vector is permitted to consider some or all of a wide range of factors, which can include factors that benefit Vector, such as the likelihood that an investor may invest in another Vector Fund, an Investor being willing to pay higher or any fees or carried interest in respect of such opportunity, the size of Investor commitments to other Vector Funds, and expected amount of negotiations required in connection with such investor's commitment.

Vector will determine the allocation of investment opportunities among co-investors in a manner that it believes is fair and equitable consistent with Vector's obligations and is permitted to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the

industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, accounting, securities laws, and other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; Vector's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, accounting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Vector's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; whether Vector believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen, or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, one or more Vector Funds or Vector, and its affiliates; and other factors that Vector considers important in connection with the specific transaction or investment. Co-investment opportunities may, and typically will, be offered to some and not to other investors. Only a small subset of Investors (if any) are expected to be offered co-investment opportunities. Co-investment opportunities are also generally anticipated to be offered only to a limited subset of Investors who have experience, internal capabilities, and available capital to commit large dollar amounts to single deals on expedited time frames even if the deal at issue does not necessarily require the foregoing. Vector is permitted to syndicate co-investment opportunities to prospective co-investors. Investing in any Vector Fund does not give Investors any rights, entitlements, or priority to co-investment opportunities. Although Vector reserves the right to consider a prospective co-investor's willingness to invest in a Vector Fund, such willingness generally will not be the sole determining factor considered by Vector in identifying co-investors. Vector reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Vector Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Prospective investors should also note that Investors are not required, and generally may not be offered the opportunity to participate in co-investment opportunities offered by Vector. An Investor who participates in a co-investment would, to the extent that such Investor pays reduced (or no) economics in respect of its investment made outside the relevant Vector Fund, have a higher overall return with respect to the relevant investment than an Investor who participates in such investment only through a Vector Fund. Vector may or may not charge management fees, advisory fees, transaction fees, monitoring fees, priority profit share, one-time funding fees, or "carried interest" in respect of co-investments, as it determines in its sole discretion. The allocation of co-investment opportunities will in many or all cases coincide with a benefit to Vector and its affiliates including, without limitation, fees (e.g., management fees, advisory fees, priority profit share and one-time

funding fees) or carried interest from the co-investment opportunity, capital commitments to one or more Vector Funds or pending, expected, or future potential capital commitments to such other Vector Funds. Vector or an affiliate thereof will receive and retain a co-investment vehicle's portion of any fees subject to offset, which will not offset any Vector Fund's management fee.

As noted above, transaction-specific returns, and an Investor's overall returns from its exposure to a Vector Fund's portfolio companies, may be affected significantly by the extent to which it is offered and chooses to participate in co-investment opportunities. The performance of co-investments will not be aggregated with that of any Vector Fund, including for purposes of determining Vector's carried interest or fees paid under the relevant Governing Fund Documents.

Vector Funds are permitted to co-invest with third parties through partnerships, joint ventures, or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-investor may at any time have financial difficulties, resulting in a negative impact on such investment, have economic or business interests or goals which are inconsistent with those of a Vector Fund, or may be in a position to take (or block) action in a manner contrary to a Vector Fund's investment objectives. In addition, a Vector Fund may in certain circumstances be liable for the actions of its third-party co-investor or partner. In those circumstances where such third parties involve a management group, such third parties can potentially receive compensation arrangements relating to such investments, including incentive compensation arrangements. There can be no assurance that a Vector Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction. Co-investors are generally not expected to share in broken deal expenses, and such expenses attributable to co-investments will be borne by the relevant Vector Fund.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities are permitted to be made by Vector or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. When and to the extent that employees and related persons of Vector make capital investments in or alongside a Vector Fund, Vector is subject to conflicting interests in connection with these investments. Vector's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others.

Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Vector Fund, and Vector expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Vector Fund because (i) co-invest opportunities generally appeal to Vector Fund Investors and third parties, (ii) to the extent co-investments made by Vector Fund

Investors are not subjected to management fees or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Vector Fund's Governing Fund Documents. In order to facilitate the acquisition of a portfolio company, a Vector Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Vector Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Vector Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Vector Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and (iv) be diluted or realize lower than expected returns from such investment.

Co-investors will typically invest in portfolio companies at the same time and price and on the same terms as the participating Vector Funds to the extent practicable. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Vector Fund) purchases a portion of an investment from one or more Vector Funds after such Vector Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through capital contributions made by Investors of the applicable Vector Fund or use of a Vector Fund credit facility. Any such purchase from a Vector Fund by a co-investor or co-invest vehicle generally occurs shortly after the Vector Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Vector Fund's initial purchase. Where appropriate, and in Vector's sole discretion, Vector reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Vector Fund.

Secondary Transfers. In certain cases, Vector will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Fund Documents, no obligation) to identify one or more secondary transferees of interests in a Vector Fund. In such cases, Vector will not

receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Fund Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Vector Fund interests should be offered to one or more existing Vector Fund Investors.

Side Letters. Vector has entered and reserves the right in the future to enter into side letter arrangements with certain Fund Investors providing such Investors with different or preferential rights or terms without the approval or vote of any other Investors. The side letter would alter or supplement the terms of the Governing Fund Documents or the subscription agreements and would be more favorable to such Investors than those applicable to other Investors. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse, exclusion, or withdrawal rights applicable to particular investments or Investors (which has the potential to increase the percentage interest of other Investors in, and contribution obligations of other Investors with respect to, certain investments); (ii) reporting obligations of the relevant General Partner; (iii) waiver of certain confidentiality obligations; (iv) consent of the relevant General Partner to certain transfers by such Investor; (v) rights or terms necessary in light of particular legal, regulatory, tax or public or internal policy characteristics of such Investor; (vi) representations and warranties relating to a particular point in time (vii) rights relating to the Advisory Committee; (viii) rights relating to co-investment opportunities; (ix) economic provisions relating to platform or multi-fund investors; (x) different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics or receipt of a portion of Vector's compensation, none of which generally will be subject to the "most-favored nation" provisions of a Vector Fund's Governing Fund Documents) and (xi) rights to receive certain rebates in respect of excess management fees or in relation to Value Creation Services (as defined below). Subject to applicable law, Vector does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the Investors that have entered into such agreements.

Side letters subject Vector to potential conflicts of interest, including in circumstances where an Investor's right to serve on the relevant Advisory 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. Other side letter rights are likely to confer benefits on the relevant Investor at the expense of the relevant Vector Fund or of Investors as a whole, including in the event that a side letter confers additional reporting, information rights or transfer rights, the costs and expenses of which are expected to be borne by the relevant Vector Fund.

As a consequence of one or more Investors being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating Investors could

be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event an Investor defaults on a drawdown in respect of an investment. Although Vector believes it to be unlikely, excuse or other rights requested or received by one or more Investors (or such regulatory, tax or other factors applicable to such Investors) representing a substantial percentage of a Vector Fund have the potential to create significant variations in Investor investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by a General Partner on behalf of the relevant Vector Fund as a whole. An Investor's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Fund Documents; conversely, a limitation on one or more Investors' voting rights generally will increase the voting rights percentage of other Investors in the relevant Vector Fund. Further, Investors with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis 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 Vector Fund.

Performance Based Fees. Performance-based fees create an incentive for Vector to invest Vector Funds in investments that are riskier or more speculative than would be the case if Vector were compensated solely based on a flat percentage of capital under management.

Because there is a fixed investment period after which capital from Investors in certain Equity Funds may only be drawn down in limited circumstances and because management fees are, at certain times during the life of the Equity Funds, based upon the cost of the remaining investments of the Equity Fund, Vector has an incentive to deploy capital when it would not otherwise have done so.

In addition, the carried interest and incentive allocations to the Equity Funds and the Credit Funds are calculated based on values that include unrealized appreciation. Any securities for which market quotations are not readily available will be valued by or at the direction of Vector and using a valuation method that involves Vector's discretion. Accordingly, Vector has an incentive to exercise this discretion to place a higher value on these investments than if Vector was not entitled to a carried interest or other incentive allocation.

Valuation. The Equity Funds and Credit Funds will hold securities and financial instruments that do not have readily available market quotes. Vector will value such securities and financial instruments in good faith at fair value based on various factors, including any external pricing sources, recent trading activity, or other information aimed at a relative value assessment process that incorporates, among other factors in the discretion of the Vector and the General Partner, current market conditions, position size, trends and prices. Such valuations have the potential to vary from similar valuations performed by independent third parties for similar types of securities and financial instruments. Inaccurate valuations can, among other things, affect the net asset values

at which interests are issued and withdrawn in the Credit Funds and can affect the amount of carried interest or incentive allocation received by Vector. Higher valuations generally result in higher carried interest and incentive allocations and would be beneficial in marketing the Vector Funds.

Board Directors. Certain Vector Funds make controlling investments in portfolio companies. As a result of these controlling interests, Vector typically has the right to appoint portfolio company board members (including current or former Vector personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to Vector in connection with services provided by Vector and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the relevant Governing Fund Document's offset provision, are in addition to the management fee or carried interest discussed herein. Vector's authority to appoint or influence the appointment of portfolio company board members who are be involved in approving compensation payable to Vector subjects Vector and any such portfolio company board appointees to potential conflicts of interest.

Service Providers and Other Third-Party Relationships. Over the life of the Vector Funds, Vector generally expects to exercise its discretion to recommend to the Vector Funds or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) Vector (or an affiliate, which may include other portfolio companies of such Vector Fund or other Vector Funds) and at rates determined or substantively influenced by Vector; (ii) an entity with which Vector or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) an Investor (or an Investor of another Vector Fund) or its affiliates. This subjects Vector to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, Vector would have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that Vector, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Vector, or the Vector Funds), has the potential to favor such retention or continuation even if a better price or quality of service provider could be obtained from another person. Vector will not necessarily seek out the lowest cost options when incurring (or causing the Vector Funds or their portfolio companies to incur) such expenses. Although Vector generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where Vector commits or has committed to seek "market" or "arms-length" rates or terms, Vector will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Vector reserves the right to deem

third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, Vector undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Whether or not Vector has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Vector also expects, from time to time, to employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by a Vector Fund; conversely, former personnel or executives of Vector are permitted to serve in significant management roles at portfolio companies or service providers recommended by Vector.

As with other private equity fund sponsors, as part of Vector’s business, Vector and its employees have developed many relationships with service providers and other market participants which have the potential to raise conflicts of interest. Such service providers include, but are not limited to, investment bankers, administrators, lenders, brokers, consultants, and professional advisors (such as attorneys and accountants). Such service providers and market participants and their affiliates have the potential to be Investors in a Vector Fund or sources of investment opportunities and co-investors or counterparties therein. This has the potential to influence Vector in deciding whether to select such a service provider or have other relationships with Vector. Vector can potentially have a conflict of interest with a Vector Fund in recommending the retention or continuation of a third-party service provide to such Vector Fund or a portfolio company owned by the Vector Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliates will continue to invest in one or more Vector Funds, will provide Vector with information about markets and industries in which Vector operates (or is contemplating operations) or will provide other services that are beneficial to Vector. Vector will likely have a conflict of interest in making such recommendations, in that Vector has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for one or more Vector Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Vector Fund. Notwithstanding the foregoing, investment transactions for a Vector Fund that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that Vector believes to be of benefit to the Vector Fund. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost.

Allocation of Expenses. Vector often incurs expenses on behalf of more than one Vector Fund. For example, Vector incurs diligence expenses for an investment proposed to be made by more than one Vector Fund. Vector allocates such expenses among the Vector Funds in accordance with each

Fund's Governing Fund Documents and a manner that it believes is fair and equitable taking into consideration, among other things, the relative amount expected to be invested by each Vector Fund in the proposed investment, the relative capital commitments of the Vector Funds, and any other factors it deems relevant. The allocations of such expenses will likely not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size. In particular, Vector Funds are expected to bear certain fees and expenses related to unconsummated transactions that would have been borne by co-investment vehicles had such transactions been consummated (i.e., broken deal fees). Further, despite Vector's good faith judgment to arrive at a fair and reasonable expense allocation methodology, the use of any particular methodology will likely lead one Vector Fund bearing relatively more expense in certain instances and relatively less in other instances compared to what the Vector Fund would have borne if a different methodology had been used. From time to time, Vector in its good faith judgment is permitted to revise or change previously determined allocation methodologies in an effort to ensure that such expenses remain fairly and reasonably allocated to the relevant Vector Funds. Vector will likely have a conflict in making these allocations because, among other things, the Vector Funds can potentially have different performance fees or some have no performance fee. In addition, Vector can potentially earn a higher performance fee from allocating more expenses to certain Vector Funds than others because of the historical performance of the Vector Funds.

Moreover, while Vector generally seeks to use reasonable efforts to avoid circumstances in which one Vector Fund ultimately bears liability for all or part of the obligations of another Vector Fund or any Vector affiliate, it is possible that a counterparty, lender, or other unaffiliated participant in a transaction will require or desire to face only one fund entity or group of entities, which has the potential to result in (i) any of the Vector Funds or such other funds or vehicles being solely liable with respect to such third party for its own and such other funds' or vehicles' share of the applicable obligation or (ii) any of the Vector Funds or such other funds or vehicles being jointly and severally liable for the full amount of such applicable obligation, which in each case can result in the Vector Funds or such other funds or vehicles entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any of the Vector Funds or such other funds or vehicles would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty. Furthermore, as a result of the incurrence of indebtedness on a joint and several or cross-collateralized basis, the Vector Funds can be required to contribute amounts in excess of their pro rata share, including additional capital to make up for any shortfall if such vehicles are unable to repay their pro rata share of such indebtedness. In other circumstances, lenders and other market parties are expected to seek "cross default" rights under which a Vector Fund will be treated as in default under the relevant facility in the event of a default by another Vector Fund or a Vector affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Vector Fund's Investors could suffer adverse effects resulting from any default by any Vector Fund or a Vector affiliate, whether or not related to the Vector Fund in which such Investors have invested.

Vector will cause the Vector Funds to purchase, or bear premiums, fees, costs, and expenses (including any expenses or fees of insurance brokers) for insurance to insure the Vector Funds, the General Partner, Vector, or one or more of the Indemnified Parties, against liability in connection with the activities of the Vector Fund. This includes a portion of any premiums, fees, costs, and expenses for one or more “umbrella” or other insurance policies maintained by the General Partner that cover the Vector Funds, affiliates thereof, or Vector (including their respective directors, officers, employees, agents, representatives, members of the Advisory Committee and other indemnified parties). Vector will make judgments about the allocation of premiums, fees, costs, and expenses for such “umbrella” or other insurance policies among the Vector Funds, such other vehicles, Vector, or their applicable affiliates on a fair and reasonable basis, in its sole discretion, and can make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Vector Fund bearing lower (or higher) premiums, fees, costs, and expenses for insurance policies.

Additionally, a portfolio company typically will reimburse Vector or service providers retained at Vector’s discretion for expenses (including, without limitation, travel expenses) incurred by Vector or such service providers in connection with the performance of services for such portfolio company. This subjects Vector to conflicts of interest because the Vector Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the relevant Governing Fund Documents and Vector’s internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion.

Portfolio Company Transactions. One Vector Fund’s portfolio companies are permitted to be counterparties to or participants in agreements, transactions, or other arrangements with portfolio companies of the same Vector Fund or other Vector Funds subject to any requirements of the relevant Governing Fund Documents, including arrangements that would not have otherwise been entered into but for the relationship with Vector or an affiliate. It is anticipated that the applicable portfolio companies will negotiate these arrangements. However, in the unexpected event that a Vector Fund participates in negotiating such arrangements, such arrangements are expected to be made on an arms’-length basis and Vector will make determinations of competitive market rates based on its consideration of a number of factors, which could include, for example, benchmarking data and other methodologies determined by Vector to be appropriate under the circumstances. While Vector generally intends in such situations to obtain benchmarking data regarding the rates charged or quoted by third parties for similar services, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services. Therefore, such market comparisons have the potential to not result in precise market terms for comparable services.

Value Creation Team. Vector has retained, and expects in the future, on behalf of the Equity Funds and the portfolio companies, as applicable, one or more persons to serve as part of the “Value

Creation Team,” which consists of a group of Vector employees that are specifically focused on providing operational efficiencies to portfolio companies through intense and sustained involvement with portfolio company management teams throughout the investment lifecycle, underwriting, adapting and refining the strategic and operational aspects of Vector’s investment thesis and driving Value Creation initiatives. The Value Creation Team is expected to regularly provide certain non-investment advisory services to Equity Funds or their portfolio companies, a prospective portfolio company or any of their respective subsidiaries with respect to financial, operational, management, technology, accounting, tax, legal, human resources or other similar matters in connection with an investment or prospective investment by an Equity Fund into such portfolio company, prospective portfolio company or such applicable subsidiaries (“Value Creation Services”), which will likely include services of the type that normally would be provided by third-party service providers. Unless otherwise provided in the Governing Fund Documents, amounts charged to the portfolio companies or Equity Funds for Value Creation Services, and payments by the portfolio companies or the Equity Funds in respect thereof, do not constitute fees subject to offset and, therefore, do not reduce the management fee.

The Value Creation Services provided by the Value Creation Team to the Equity Funds and current or prospective portfolio companies and subsidiaries would generally otherwise be provided by third-party service providers. Amounts charged in respect of the Value Creation Services provided by the Value Creation Team are generally borne by the portfolio companies and the Equity Funds, and payments by the portfolio companies and the Equity Funds to Vector for the services of the Value Creation Team do not reduce the management fee. Such compensation for the services of the Value Creation Team can potentially come in the form of equity/options of the portfolio companies. Maintaining the Value Creation Team creates a conflict of interest between Vector and the Equity Funds and their portfolio companies because Vector has the potential to be incentivized to encourage the portfolio companies to engage the Value Creation Team to perform services when the portfolio companies might not otherwise engage a third party, and the Value Creation Team can potentially charge the portfolio companies more for such services than what an unaffiliated third party can charge. There can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Incidental Benefits. In connection with its services to the Vector Funds and their investments, Vector, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Vector’s operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Vector and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to Vector Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “Vector Information”). In many cases, Vector Information will include tools, procedures and resources developed by Vector to organize or systematize Vector Information for ongoing or future use. Although Vector expects the Vector Funds and their portfolio companies generally to benefit from Vector’s possession of Vector

Information, it is possible that any benefits will be experienced solely by other or future Vector Funds or portfolio companies (or by Vector and its personnel) and not by the Vector Fund or portfolio company from which Vector Information was originally received. Vector Information will be the sole intellectual property of Vector and solely for the use of Vector. Vector reserves the right to use, share, license, sell or monetize Vector Information, without offset to management fees, and the relevant Vector Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Vector Funds 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 Vector Funds or their respective investors; no such rewards will offset management fees.

Investor Group. A passive minority interest in Vector is owned by an investor group (the “Group”) that is otherwise unaffiliated with Vector. The Group will be entitled to share in Vector’s management fees, carried interest and will participate in Vector’s capital commitment to certain funds managed or advised by Vector. The Group may hold other equity and financial interests in certain other investment advisors unaffiliated with Vector. Neither the Group nor any of its members has authority over the day-to-day operations or investment decisions of Vector as they relate to the Vector Funds, although the Group has negotiated certain minority protection and consent rights in connection with its investment in Vector.

Distributions in Kind. A Vector Fund’s General Partner generally is permitted to receive a distribution in kind from the Vector Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Vector Fund’s Investors. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Vector deems suitable for the Vector Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Vector Fund’s disposition thereof, neither the relevant Vector Fund nor its Investors will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner’s pro rata interest in the Vector Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or

their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Vector Fund or its Investor.

Item 12: Brokerage Practices

In selecting brokers, banks, and dealers to effect investment transactions for the Vector Funds, Vector may consider such factors as price, the ability of the brokers, banks, and dealers to effect transactions, their facilities, confidentiality practices, reliability and financial responsibility, as well as any products or services provided, or expenses paid, by such brokers, banks, and dealers. Products and services may include research items used by Vector in making investment decisions. Such benefits may cause Vector to execute a transaction with a specific broker, bank, or dealer even though it may not offer the lowest transaction fees.

Vector has no formal arrangements with specific brokers, banks, or dealers to receive any “soft dollar” benefits in exchange for brokerage commissions from Vector Fund transactions. However, brokers or dealers may be selected who provide research reports and services to Vector, including: proprietary broker-dealer company research and analyses; oral and written reports, statistics, and advice about the economy, industries, and individual securities’ or company investment opportunities; opportunities to confer with company management; reports on underwriting activity, bank rates, loan defaults, loan new issuance volumes, and other capital markets statistics; all of which may be attractive for one or more Vector Funds. In accordance with Section 28(e) of the Securities Exchange Act of 1934, broker-dealers providing such services may be paid commissions on transactions for Vector Funds in excess of those that other broker-dealers not providing such services might charge so long as Vector determines in good faith the amount of commissions is reasonable in relation to the value of the brokerage and research services provided, taking into account all of the accounts over which Vector exercises investment discretion. Recognizing the value of the brokerage and research services provided, Vector may allow a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

Vector will periodically evaluate the overall reasonableness of the brokerage commissions paid to broker-dealers with respect to Vector Fund transactions by, among other things, seeking to compare such commissions with the commission rates being charged by other comparable broker-dealers. Vector will also periodically review the past performance of the broker-dealers with whom it has placed orders to execute Vector Fund transactions in light of the value of the services discussed above.

Vector may aggregate certain purchases or sales of securities or loans in order to obtain a more favorable pricing arrangement based on volume.

Item 13: Review of Accounts

Oversight and Monitoring. The investment portfolios of the Equity Funds are generally private, illiquid, and long-term in nature. Vector’s review of them is not directed toward a short-term decision to dispose of securities. However, Vector closely monitors the performance and operations of the portfolio companies of the Vector Funds and generally maintains an ongoing oversight position in such portfolio companies. In particular, one or more members of the Vector Team typically maintains board positions with each portfolio company, and the Vector Team meets regularly to discuss the historical and projected performance of the portfolio companies, as well as economic developments, industry outlook and other issues that might affect the portfolio companies.

With respect to investments made by the Credit Funds, such as investments in bank loans, financings, originations related credit, and existing positions are continually reviewed and analyzed by the investment team and investment committee for the Credit Funds.

Reporting. Vector generally does not provide formal written reports to any Vector Funds. However, the Vector Funds typically provide quarterly and annual reports to all Investors in the Vector Funds in accordance with the terms of the applicable Governing Fund Documents. Vector Funds provide audited financial statements to Investors annually in compliance with Advisers Act Rule 206(4)-2.

New Investors in Vector Funds are provided with a copy of this brochure before making an initial investment or commitment to a Vector Fund.

Item 14: Client Referrals and Other Compensation

As discussed in “*Fees and Compensation*,” Vector Team members who serve on the boards of directors of portfolio companies of a Vector Fund may receive cash compensation, options or restricted stock in their capacity as directors. Pursuant to the Governing Fund Documents, such fees and other benefits paid by portfolio companies will be applied to reduce the management fees otherwise payable by the Vector Funds, except for those fees received by Value Creation Team. Reference Item 5 – Fees and Compensation for additional disclosure.

Vector may retain third-party brokers, solicitors, or finders. The fees and expenses payable to any such brokers, solicitors or finders will not be borne by the Investors of the Vector Fund, but will instead be borne by Vector or the affiliate general partner, either directly or indirectly through an offset against the management fees, carried interest or otherwise.

Item 15: Custody

Pursuant to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Vector is deemed to have custody of the funds or securities held by the Vector Funds, subject to certain exceptions set forth

in the Custody Rule and related guidance, because affiliates of Vector serve as the General Partners of the Vector Funds.

As Vector's investment program involves investments in privately offered securities issued by private companies, Vector generally will be exempt from the requirement that securities be maintained with a "qualified custodian." Vector anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer's outstanding securities.

To the extent that Vector holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, Vector will maintain such securities with a qualified custodian in an account in the name of the applicable Vector Fund or in accounts that contain only funds and securities owned by the Vector Fund, under Vector's name as agent or trustee for the Vector Fund.

To maintain compliance with the Custody Rule, Vector will ensure that the Vector Funds are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB") and that the audited financial statements of each Vector Fund will be prepared in accordance with generally accepted accounting principles ("U.S. GAAP") and distributed to Investors within 120 days of the end of each Vector Fund's fiscal year. Investors should carefully review the audited financial statements of the Vector Funds upon receipt and should compare these statements to any account information provided by Vector.

In lieu of a year-end audit, certain Vector Funds undergo a surprise independent verification and rely on the "audit exemption" under the Advisers Act custody rule (*i.e.*, Rule 206(4)-2(b)(4)). Investors in these Funds will receive account statements from the Vector Funds' custodians. In those cases, the Investor should review the statement to ensure accuracy.

Item 16: Investment Discretion

Pursuant to the Governing Fund Documents of each Vector Fund, Vector generally has discretionary authority to perform the day-to-day investment operations of the Vector Funds. Vector has full discretionary authority to purchase or sell investments for the Vector Funds, with certain limited exceptions for approval rights by its Investors for specific tax or regulatory considerations, as dictated by the Governing Fund Documents.

Item 17: Voting Client Securities

Vector has authority to vote public company equity and debt securities and other debt instruments (*e.g.*, loans) held by Vector Funds, and therefore has adopted policies and procedures that it believes are reasonably designed to comply with the requirements of the Advisers Act. The proxy voting policies and procedures reflect Vector's commitment to vote such instruments in a manner consistent with the best interests of the Vector Funds.

Vector votes all proxies with the intent of maximizing the long-term economic value of the relevant Vector Funds' holdings. Vector's proxy voting policy is designed to prevent proxy voting decisions from being influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the general policy of Vector to vote or to give consent on all matters presented to security holders in any proxy, and its policies and procedures have been designed with that principle in mind. However, Vector Capital may abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the judgment of certain Vector Team members, the costs associated with voting such proxy outweigh the benefits to the applicable Vector Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interest of the applicable Vector Funds.

Vector's Chief Compliance Officer is responsible for monitoring proxy decisions for any actual or perceived conflicts of interest. All proxy voting decisions require a mandatory conflicts of interest review by the Chief Compliance Officer, which includes consideration of whether Vector or any investment professional or other person recommending how to vote the proxy has an interest in how the proxy is voted that may present a conflict of interest. When the Chief Compliance Officer deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts.

A copy of Vector's written proxy voting policies and procedures, as well as a record of how Vector has voted in the past, will be maintained and available for review upon written request.

Item 18: Financial Information

Vector does not require or solicit prepayment of advisory fees six months or more in advance.

Vector does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients. Vector has not been the subject of a bankruptcy petition at any time.