



FORM ADV PART 2A BROCHURE

VISTA EQUITY PARTNERS MANAGEMENT, LLC



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March 31, 2023

This brochure provides information about the qualifications and business practices of Vista Equity Partners Management, LLC. If you have any questions about the contents of this brochure, please contact us by phone at (415) 765-6500 and/or Gwen Reinke, Chief Compliance Officer, at greinke@vistaequitypartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Vista Equity Partners Management, LLC is a registered investment adviser with the SEC. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Vista Equity Partners Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.



ITEM 2: MATERIAL CHANGES

This brochure, dated March 31, 2023, has been amended since its most recent filing on March 31, 2022, to include revisions to:

- Item 4 to reflect updates to Vista's advisory business;
- Item 5 to update information regarding fees and expenses;
- Item 8 to update the investment risks applicable to the various Funds;
- Item 10 to update information regarding affiliated entities; and
- Item 11 to update the disclosures regarding conflicts of interest.

In addition, Vista Equity Partners Management, LLC routinely makes updates throughout the brochure to improve and clarify the description of its business practices and its compliance policies and procedures.



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ITEM 4: ADVISORY BUSINESS

Vista Equity Partners Management, LLC, a Delaware limited liability company, together (where the context permits) with its predecessors Vista Equity Partners III, LLC, and Vista Equity Partners, LLC, which was previously named Vista Capital Partners, LLC, Emerging Technologies Management, LLC, ETI Management, LLC, its affiliated advisers, Vista Credit Partners, L.P., which was previously named Vista Credit Opportunities Management, L.P., Vista Credit CLO Management LLC, VFF Management, L.P., VEPF Management, L.P., VEEF Management, L.P., and the affiliated General Partners (defined below) and certain of their other affiliates (“Vista”) provide advisory services to and/or receive Management Fees (defined below) from pooled investment vehicles or the Funds (defined below). These affiliates are formed for tax, regulatory, or other purposes in connection with the organization of the pooled investment vehicles or serve as general partners of the pooled investment vehicles (each, a “General Partner” and collectively, together with any future affiliated general partner entities, the “General Partners”). In addition, Vista receives compensation for management or other services performed in connection with co-investments made in portfolio companies of the Funds.

Vista was formed in 2000 and is principally owned by Robert F. Smith, who is also its Chairman and Chief Executive Officer. Vista’s Executive Committee focuses on the strategic direction and management of the firm. The Private Equity Management Committee governs the management of Vista’s private equity platform, while the Co-Heads of each private equity fund product manage the deal pipelines, fund personnel, and portfolio construction of their investment platform. Vista Credit Partners and Vista Public Strategies are each managed by their respective Heads, subject to oversight from the Executive Committee.

The primary focus of Vista’s investment advisory activity is identifying investment opportunities and participating in the acquisition, management, monitoring, and disposition of investments for pooled investment vehicles. Vista serves as the investment adviser or the general partner to the Funds in order to provide such services. Vista provides investment advisory services primarily related to investments in businesses that provide enterprise software (including operationally mature enterprise software businesses), data, and technology-enabled solutions (collectively, “enterprise software companies”) and in the global technology, media, and telecommunications (“TMT”) sectors. Vista’s pooled investment vehicles consist of private equity funds that primarily acquire controlling interests in emerging and lower middle-market to large cap enterprise software companies (the “Equity Funds”), a permanent capital private equity fund that primarily acquires controlling interests in middle-market to large cap mature enterprise software companies (the “Perennial Fund”), credit funds that originate and invest primarily in privately negotiated debt securities in enterprise software companies and certain collateralized loan obligation vehicles (the “Credit Funds”), and long/short and long-biased equity hedge funds that pursue fundamentals driven, research intensive strategies that focus on the global TMT sectors (the “Hedge Funds”) (together with the Equity Funds, the Perennial Fund, and the Credit Funds, collectively the “Funds”). Vista may establish other investment vehicles for the purpose of purchasing one or more investments from a Fund that is approaching the end of its term (“Continuation Vehicles”). For purposes of this Brochure, Funds shall be deemed to include Continuation Vehicles. The Funds are not registered under the Investment Company Act of 1940, as amended (“1940 Act”), and their securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). A list of the Funds may be found in the Form ADV Part 1A.

Investments on behalf of the Funds include (or may include in the future) leveraged acquisitions and recapitalizations of private equity investments, including private equity investments with



long-term holding periods (in “portfolio companies”); unlevered buyouts and minority equity investments in growth companies; equity and equity-related securities that are traded publicly in U.S. and non-U.S. markets; first and second lien debt investments in enterprise software companies; and, among other things, mezzanine/private placements, special situation and credit investments; structured products; other credit-based securities and claims; short sales; preferred stocks; convertible securities; warrants; rights; bonds and other fixed income securities; options; swaps and other derivative instruments; commodity interests; futures; options on futures; exchange traded funds; currency hedging transactions; non-U.S. currencies; money market instruments; cash and cash equivalents; and securities lending arrangements. In addition, certain Equity Funds have invested in certain of the Hedge Funds.

Vista provides investment supervisory services to each Fund in accordance with a limited partnership agreement (or analogous document) of such Fund or separate investment management agreement (each, an “Advisory Agreement”). Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable General Partner, and not individually to the investors (generally referred to herein as “Investors” or “Limited Partners”) in the Funds. In each case, Fund investments are consistent with the investment objectives and strategies, as defined by the applicable private placement memoranda, Advisory Agreements, limited partnership agreements, side letter agreements negotiated with Investors in an applicable Fund, and/or other governing documents (together, “Governing Documents”).

On behalf of the Equity Funds, Vista primarily invests in opportunities in which Vista believes it can drive operational change. Vista seeks to accomplish that through its ability to effect substantial operational improvements aiming to create value in its companies through the implementation of its operating improvement plan (the “Value Creation Plan”) and its proprietary set of operational best practices specific to the types of enterprise software businesses in which the Funds invest (the “Vista Best Practices”). This implementation is the responsibility of Vista’s investment team and Vista’s Value Creation Team (“VCT”). VCT consists of Vista professionals dedicated in whole or in part to operational matters (“Operating Professionals”) and the members of Vista Consulting Group (including OneVista) (“VCG”), a wholly-owned subsidiary of Vista.

On behalf of the Perennial Fund, Vista primarily invests in portfolio companies that Vista believes are operationally mature and have already implemented operational best practices. As a result, the VCT will generally assist the Perennial Fund with platform consolidation and integrated product development.

Vista tailors its services to the specific investment objectives and restrictions of each Fund pursuant to the applicable investment guidelines and restrictions, and subject to specific terms and conditions set forth in the Fund’s Governing Documents. Investors should refer to the Governing Documents of the applicable Fund for complete information on the investment objectives, restrictions, and guidelines of the particular Fund and the services Vista provides to the Fund.

In addition to providing investment advisory services to the Funds, Vista sponsors various co-investment programs pursuant to which Investors may co-invest in investments alongside certain Funds or other vehicles or through one or more co-investment vehicles referred to as the Vista “Co-Investment Strategies.” The Co-Investment Strategies consist of the “Co-Investment Commitment Program” and the “Co-Invest Separately Managed Account Program.” The Co-Investment Commitment Program is a formal program sponsored by Vista that Investors enter in order to co-invest alongside one or more of the Funds through co-investment vehicles that are established on an investment-by-investment basis. Depending on the various Funds’ investment



objectives and capital needs and other co-investment activity, Vista may expand or reduce the size and scope of the Co-Investment Commitment Program, including by not accepting or calling additional investments or commitments into the Co-Investment Commitment Program. The Co-Invest Separately Managed Account Program is a program through which Vista establishes co-investment vehicles for individual Investors to co-invest alongside the Funds. Vista retains varying degrees of discretion over the management of, and deployment of capital from, such co-investment vehicles, and forms such co-investment vehicles with certain investors on a case-by-case basis. Such vehicles may invest both directly in one or more Funds and co-invest alongside one or more Funds. Vista retains broad discretion to vary the terms of the Co-Investment Strategies and other co-investment arrangements from time to time in accordance with the applicable contractual restrictions.

In addition, Vista expects to also establish one or more Companion Funds, which are vehicles or other arrangements with an investment objective, in whole or in part, to invest alongside one or more Funds. Such Companion Fund may be permitted to invest in all portfolio investments of such Funds or in some subset of investments (e.g., based on the size, structure, industry, stage of life, other similar defining features of certain investments or any other factor set forth in Vista's Allocation Policy (as defined below)) at preset percentage amounts or otherwise in the discretion of the Companion Fund's general partner. The economic terms of a Companion Fund are not required to be the same as the Funds alongside which it invests; and in certain cases, an investor in the Companion Fund will bear less fees and expenses than the investor would if it had invested in the Funds alongside which the Companion Fund invests.

Additionally, from time to time and as permitted by the relevant Governing Documents, Vista also expects to provide (or agrees to provide) certain current or prospective investors or other third parties, including other sponsors, market participants, finders, consultants, other service providers, and strategic investors, the opportunity to invest directly as a co-sponsor or co-underwriter or to participate in co-investment vehicles that will invest in certain portfolio companies alongside one or more Funds. Additionally, Vista has in the past and expects to, from time to time, in the future establish certain investment vehicles through which certain employees of Vista or its affiliates, certain business associates, other "friends of the firm," or other persons (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments, or related programs, family investment vehicles, and other estate planning vehicles) (collectively, "Vista Investors") will invest in or alongside one or more Funds in one or more investment opportunities. Vista Investors will not typically pay Management Fees or Carried Interest in connection with their investment in a Fund. Any such co-investment vehicle may, in certain instances, be contractually required to purchase and sell certain investment opportunities at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity as set forth in such Fund's Governing Documents. However, from time to time, for strategic and other reasons, a co-investment vehicle will purchase a portion of an investment from one or more Funds after such 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 Fund Limited Partner capital contributions and/or use of a Fund credit facility and/or use of bridge financing. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to minimize any changes in the valuation of the investment, but in certain instances could be well after the Fund's initial purchase. The co-investor or co-invest vehicle has been and may in the future (but is not always required to) be, charged interest on the purchase to compensate the relevant Fund for the holding period, and may be required to reimburse the relevant Fund for related costs.



As of December 31, 2022, Vista manages approximately \$103,120,740,320 of assets on a discretionary basis and \$679,876,420 of assets on a nondiscretionary basis. Regulatory assets under management as noted herein include committed capital for the Funds.



ITEM 5: FEES AND COMPENSATION

Vista, or an affiliated General Partner, generally receives Management Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund, and/or its portfolio companies, also reimburses the Adviser and its affiliates for certain expenses and/or makes other payments to Vista or its affiliates for services provided to the portfolio companies, which, in certain circumstances, will reduce the Management Fees payable to Vista. Additionally, consistent with the Governing Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by Vista in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

Management Fees

As compensation for investment advisory services rendered to the Funds, Vista, or an affiliated General Partner, receives a management fee or, in the case of the Perennial Fund, a Portfolio Assembly and Monitoring Fee (as described below) (each referred to herein as a “Management Fee”). Management Fees may be reduced during the life of the Fund at the General Partner’s discretion. Except as otherwise agreed, the General Partner and Limited Partners who are affiliates, employees, or other designees of Vista will not be subject to the Management Fee or other performance-based fees. Alternatively, Vista allows eligible employees to participate in vehicles that invest in or alongside the Funds and that do not charge Management Fees or performance-based fees or allocations (“Employee Vehicles”). Management Fees paid by a Fund are indirectly borne by Investors in such Fund, but such Management Fees are added to the cost of investment prior to any performance-based fees (as discussed below in Item 6) taken by Vista.

The precise amount of, and the manner and calculation of, the Management Fees for each Fund is set forth in the Governing Documents. The Management Fees and other fees are generally subject to waiver or reduction by Vista in its sole discretion, both voluntarily and on a negotiated basis with selected Investors. The fee structures described herein may be modified from time to time in accordance with the Governing Documents. Fees may differ from one Fund to another, as well as among Investors in the same Fund. In addition, Vista reserves the right to enter into economic arrangements with respect to one or more Funds and/or certain Limited Partners thereof, the rights of which will not generally be made available to, or necessarily disclosed to, other Limited Partners.

In addition, Vista is permitted to waive or reduce all or a portion of the Management Fee paid by a Fund in full or partial satisfaction of any obligation of the General Partner and certain employees of Vista or its affiliates, certain business associates, other “friends of the firm,” or other persons to invest in and alongside such Fund. Any such waived or reduced portion of the Management Fee may be treated as a deemed capital contribution by the General Partner and its affiliates in respect of the General Partner’s commitment after the date such waived amount would otherwise be due and reduces the amount of capital the Fund’s General Partner would otherwise be required to contribute to such Fund as part of its commitment. The Fund’s Investors, other than the General Partner, are required to make a pro rata contribution according to their respective capital commitments to the Fund. When any such waiver or reduction as described above is exercised, any contribution that would otherwise be required of the Fund’s General Partner will instead be made by the Fund’s Investors and, as a result, the exercise of such waiver results in an acceleration of Investor capital contributions. Waived or reduced Management Fees generally are not subject to any reduction of the Management Fee described below. Due to waived or reduced



Management Fees by a Fund's General Partner and/or timing of receipt of compensation subject to Management Fee offsets (as described below), it is possible that such offsets will not be fully realized by Investors in such Fund until liquidation of the Fund and the refunding of any unapplied offset (as described below) and will result in a benefit to the General Partner until such liquidation.

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

Certain Vista Funds' Governing Documents provide that the Management Fee will be calculated on a basis that generally is not tied to the Fund's then-current net asset value. As described in the Governing Documents for such Funds, from the effective date of the relevant Fund until a date specified in the Governing Documents (generally the end of the Fund's defined investment period) (the "Stepdown Date"), Management Fees generally will be calculated based on a percentage of the amount of the relevant Fund's aggregate capital commitments. After the Stepdown Date, Management Fees generally will be calculated based on a percentage of the amount of investment contributions made by the relevant Fund that have not been disposed of or permanently written down.

As a result, the amount of Management Fees generally will not correspond with fluctuations in the Fund's net asset value, including following the investment period, and will not be reduced in connection with any write-downs, except in the case of investments permanently written down. In certain circumstances, unless the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions (e.g., those resulting from a dividend recapitalization) or partial sales of investments or in circumstances where the relevant Fund(s) divest a credit investment in the relevant portfolio company, whether in whole or in part.

In many circumstances, the Management Fee base of such post-Stepdown Date Management Fees will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees are generally called in advance and generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or write-downs that occur partway through the relevant calculation period.

Equity Funds

As compensation for advisory services rendered to the Equity Funds, Vista (or one of its affiliates) receives an annual Management Fee equal to a percentage of an Investor's committed capital during the commitment period and thereafter on invested capital. The Equity Funds will pay Vista, an affiliate, or the General Partner an annual Management Fee, payable semi-annually, in advance, fifteen days after the beginning of the period. Installments of the Management Fee payable for any period other than a full six-month period shall be adjusted on a prorated basis according to the actual number of days in such period. Currently, the maximum Management Fee payable is equal to 2% annually of aggregate commitments. After the expiration of the Investment Period (as defined by the Governing Documents), the Management Fee will be equal up to 2% per annum of (i) the aggregate investment contributions, less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written down.

The Management Fee will commence as of the initial closing date based on aggregate commitments (as defined by the Governing Documents), regardless of when a Limited Partner is actually admitted. Limited Partners participating in a subsequent closing after the initial closing



date will be assessed Management Fees retroactive to the initial closing date. The Management Fee will be paid out of current income and disposition proceeds of the Fund and, in the General Partner's discretion, from drawdowns that will reduce unfunded commitments.

Upon termination of an Advisory Agreement, Management Fees that have been prepaid are generally returned on a prorated basis or as otherwise set forth in the Governing Documents.

Perennial Fund

As compensation for advisory services rendered to the Perennial Fund, Vista (or one of its affiliates) receives an annual portfolio assembly fee during the assembly period (as defined by the Governing Documents) and an annual monitoring fee after such assembly period ("Portfolio Assembly and Monitoring Fee"), each equal to a percentage of investment contributions. The Perennial Fund will pay Vista, an affiliate, or the General Partner an annual Portfolio Assembly and Monitoring Fee, payable semi-annually, in advance. Installments of such fee payable for any period other than a full six-month period shall be adjusted on a prorated basis according to the actual number of days in such period. Currently, the Portfolio Assembly and Monitoring Fee is equal to 1% of (i) the aggregate investment contributions, less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written down during the assembly period, and 0.5% annually thereafter until the sixteenth anniversary of the commencement of the Portfolio Assembly and Monitoring Fee. The General Partner has in the past elected, and may in the future elect, to defer and accrue such fee until such time as the General Partner determines in its sole discretion to (i) require the portfolio companies to pay their share of the accrued fee (as determined by the General Partner) and/or (ii) pay such accrued fee from amounts otherwise distributable.

The Portfolio Assembly and Monitoring Fee for the Perennial Fund commenced as of the date Vista commenced investment activities of the Fund, regardless of when a Limited Partner is actually admitted. Limited Partners participating in a subsequent closing after the initial closing date and prior to the expiration of the initial offering period will be assessed such fees retroactive to the effective date (as defined by the Governing Documents) and, in addition, will be charged an amount equal to the product of (i) 8% per annum multiplied by (ii) the amount of such assessed Portfolio Assembly and Monitoring Fees, calculated from the date such fee payments would have been due if such Limited Partner were admitted for its full commitment on the effective date. The Portfolio Assembly and Monitoring Fee is permitted to be paid by one or more portfolio companies and/or out of current income and disposition proceeds of the Fund and, in the General Partner's discretion, from drawdowns that will reduce unfunded commitments.

Upon termination of an Advisory Agreement, the Portfolio Assembly and Monitoring Fees that have been prepaid are generally returned on a prorated basis or as otherwise set forth in the Governing Documents.

Credit Funds

Vista (or an affiliate) or a General Partner, earns an annual Management Fee with respect to each Limited Partner, payable quarterly in advance, generally up to 1.5% per annum of the total investment contributions of all investments (including leverage) of the Credit Funds, but excluding investments that have been permanently written off for tax purposes, on an annualized basis as determined on the first day of the period with respect to which determination is being made.



Upon termination of an Advisory Agreement, Management Fees that have been prepaid are generally returned on a prorated basis or as otherwise set forth in the Governing Documents.

Hedge Funds

Vista (or its affiliates) or a General Partner will generally receive a quarterly Management Fee paid in advance, as of the first business day of each calendar quarter, up to 1.5% on an annualized basis from the Hedge Funds, although certain investors pay a higher amount as agreed with Vista. The Management Fee is paid by each Investor based on the balance of each Investor's capital account at the beginning of the quarter. The Management Fee will be prorated for partial periods. Upon termination of an Advisory Agreement, Management Fees that have been prepaid are generally returned on a prorated basis or as otherwise set forth in the Governing Documents.

Each Hedge Fund's Management Fee and Incentive Allocations will be waived for any Equity Fund that invests in a Hedge Fund.

For all Funds, Vista debits Management Fees directly from a Fund's custodial account and Investors are not invoiced for Vista's services.

Adviser Expenses

To the extent provided in the Governing Documents of the Funds, and except as described herein as a Fund or portfolio company expense, Vista will bear all ordinary overhead and administrative expenses incurred by a General Partner, the ultimate general partner, or Vista in connection with maintaining and operating their respective offices, including rent and equipment expenses, salaries, compensation and expenses of certain of its partners, officers, and employees (other than Carried Interest and incentive allocation described in Item 6 below), and certain fees and expenses paid to members of an Equity Fund's Advisory Committee (defined below), as described in the Governing Documents of such Fund.

Fund Expenses

The Funds will pay costs and expenses designated in the Governing Documents as expenses to be borne by the relevant Fund. Expenses borne by a Fund (and as a result, the Investors) can be substantial and will reduce returns to Limited Partners. Please refer to each Fund's Governing Documents for a more complete description of the expenses permitted to be borne by the Fund.

From time to time, a Fund will pay an expense or obligation common to multiple Funds and/or co-investors (e.g., legal expenses for a transaction in which multiple Funds and/or co-investors participate) and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds and/or co-investors for use of the facility.

Equity, Perennial, and Credit Funds' Fund Expenses

Limited Partners in an Equity, Perennial, or Credit Fund indirectly bear expenses associated with the Fund based on the Investor's pro rata commitment to the Fund and as further set forth in the applicable Governing Documents of the Funds. In addition to the Management Fee and subject to the provisions set forth under the heading "Management Fees" above, the Funds will pay all other costs and expenses of the applicable Fund, or reimburse the General Partner (or any affiliate



thereof), for all other fees, costs, expenses and liabilities (referred to collectively in this definition as “costs”) that are not reimbursed by portfolio companies or potential portfolio companies (which reimbursements may be for travel and travel-related expenses, lodging, premium meals, social and entertainment events (with portfolio company management, customers, clients, borrowers, brokers and service providers), and any other out-of-pocket expenses incurred in connection with the sourcing, investigation, developing, researching, making, monitoring and/or disposing of portfolio company investments, including follow-on investments and refinancings, co-investments, and, where applicable, including expenses that would have been allocable to co-investment vehicles or other co-investors, expenses incurred in connection with the disposition of investments (including closing, execution, and other transaction costs), expenses and fees generated in the course of organizing, maintaining, administering, restructuring, operating, and negotiating joint venture arrangements), including all costs relating to the Fund’s and/or its subsidiaries’ activities, investments, business, portfolio companies or actual or potential investments, including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or a potential portfolio company), including all costs relating to or attributable to investigating, acquiring, holding (including expenses of portfolio tracking facilities), structuring (including the costs related to the organization or maintenance of any intermediary entity used to acquire, hold, or dispose of an investment or to otherwise facilitate a Fund’s investment activities), organizing, financing, refinancing, restructuring, acquiring, originating, managing, operating, monitoring, taking public or private, holding, valuing, winding-up, liquidating, dissolving, and disposing of the Fund’s investments or potential investments (including interest and fees on money borrowed by the Fund or Vista, its affiliated advisers, the ultimate general partner, or General Partner on behalf of the Fund, organizational expenses of the General Partner, expenses incurred in connection with identifying, diligencing, negotiating, entering into, monitoring or repayment of credit facilities, expenses of portfolio tracking facilities, debt service fees, origination fees, registration costs and related expenses and commitment, real estate title, survey, brokerage, finders’, custodial, and other fees; broker, dealer, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder, and similar services; legal, accounting, auditing and out of pocket costs, if any, associated with any third-party examination, audits, inquiry, investigation, settlement, or review (including similar services) of the Fund or an Affiliate that are attributable to the operation of the Funds, asset and financial administration, custodian, depositary (including costs related to appointments or changes of any depositary appointed pursuant to the Alternative Investment Fund Managers Directive (“AIFMD”)), costs related to appointments or changes of any representative or paying agent (pursuant to the Swiss Collective Investment Schemes Act and Financial Services Act 2018 (as amended)), insurance (including directors and officers, errors and omissions liability, fidelity bond, management liability, data protection, cybersecurity, representation and warranty liability and crime coverage, and all deductibles, premiums and charges in connection with the maintenance thereof), fees of affiliated consultants, travel and travel-related expenses, litigation, arbitration, and indemnification costs, judgments and settlements, consulting (including consulting fees and other compensation paid to consultants performing investment initiatives and other similar consultants and, to the extent not otherwise paid by a portfolio company, fees paid for the services of any VCT professional, or other person engaged by VCT for consulting services, including performing investment diligence or providing services related to environmental, social, and governance investment considerations and policies and other consultants), financing, valuation, appraisal (including, without limitation, the costs of any third-party valuation agents or pricing services), filing, printing, title, transfer, registration, research, including data and information service subscriptions, related systems and services from data providers and data management software), administration (including compliance costs incurred in connection with the Fund’s most-favored-nations process, any anti-money laundering laws and regulations, any third-party administrator and administration, tracking



or reporting software or services, if any (including tracking tools for the purposes of tracking environmental, social, governance (“ESG”) investment considerations, reports or assessments, maintaining the books and records of the Fund and related internal costs that the Fund may incur to produce any such books and records or external costs for a third-party administrator to maintain and oversee the Fund’s books and records)), advisory, tax and other professional services, third-party diligence software and service providers, subject- and industry-matter experts, information technology system expenses (including the costs of developing, implementing and maintaining computer software and hardware and other technological systems for the benefit of the Fund, the Limited Partners, or a portfolio company or potential portfolio company) and other costs, including those associated with the preparation or distribution of the Fund’s financial statements, tax returns, tax estimates, and Schedule K-1s or any other administrative, regulatory, or other Fund-related reporting, or filing, any regulatory filings as they relate to a Fund’s activities, out-of-pocket costs, if any, associated with any third-party examination or audits (including similar services) of a Fund or Vista or an affiliate that are attributable to the operation of such Fund or requested by one or more Limited Partners and the Fund’s, General Partner’s and the ultimate general partner’s registered office fees and filing in the Cayman Islands or the State of Delaware, unreimbursed costs incurred in connection with any Transfer or proposed Transfer contemplated by the Governing Documents or any limited partner’s name change, internal restructuring or change in trust, registered agent or custodian, compliance with any Foreign Account Reporting Requirements and any similar laws, rules and regulations, including the OECD Standard for Automatic Exchange and Financial Account Information – Common Reporting Standard, and any costs of any third-party service providers and professionals related to the foregoing, any activities with respect to protecting the confidential or nonpublic nature of any information or data, including confidential information (including any costs incurred in connection with the EU Data Protection Law or FOIA), costs of the Advisory Committee (as defined below) (including setup costs, speaker fees, honorariums, dining, entertainment, travel, and travel-related expenses) as well as other Advisory Committee expenses (including legal counsel, accountants, auditors, financial advisors or any other advisors or experts retained to assist the Advisory Committee and other expenses incurred in connection with Advisory Committee action; fees paid to third-party valuation agents for valuations, appraisals, or pricing services; administration expenses (including maintaining the books and records of a Fund, including any related internal costs that Vista may incur to produce any such books and records or external costs for a third-party administrator to maintain and oversee a Fund’s books and records); research expenses (including an allocable portion of any research or other service that may be deemed to be bundled for the benefit of such Fund), as well as the information technology systems used to obtain such research and other information, including data and information service subscriptions, related systems and services from data providers and data management software; third-party diligence software and service providers; subject and industry-matter research and experts; information technology system expenses (including the costs of sourcing, developing, implementing and maintaining computer software and hardware and other technological systems for the benefit of a Fund, the Investors, or a portfolio investment or potential investment, which includes specialty and custom software); all fees, costs, expenses, liabilities, and obligations incurred by the Fund, the General Partner, any other Vista person relating to investment and disposition opportunities for the Fund that were proposed or not consummated (including certain advisory, transaction, legal, accounting, auditing, insurance, consulting, brokerage, finders’, financing, appraisal, filing, printing, real estate title, survey, reverse breakup, termination, consulting, other similar fees and expenses paid by Vista or Vista’s affiliates), and any other fees associated with terminating any proposed investment in which a Fund does not actually invest, litigation, indemnification, judgments and settlements, if any, and other costs, and including, for the avoidance of doubt, costs related to investment and disposition opportunities that may have been offered to co-investors if such investment and disposition opportunity were consummated to the extent those co-investors are



not contractually committed to bear such costs and the relevant Fund receives the benefit of any breakup fees otherwise allocable to such co-investors in connection with such unconsummated investment opportunity; all out-of-pocket costs incurred by the Fund, the General Partner or any other Vista person in connection with the annual and other periodic (if any) meetings of the Limited Partners and any other conference or meeting with any Limited Partner(s) (including setup costs, speaker fees, honorariums, other related expenses); any taxes, fees, and other governmental charges levied against the Fund (except to the extent such amounts are reimbursed by a partner or treated as distributed to a partner pursuant to the relevant partnership agreement) and any costs of or related to the “partnership representative” of the Fund or any other related “designated individual”; Placement Fees (as defined in the applicable Governing Documents); costs, charged or specifically attributed to or allocated by the General Partner, Vista or their respective affiliates to provide in-house legal, administrative, accounting, finance, tax, capital markets, compliance, ESG or other similar services to the Fund and/or portfolio companies, and costs incurred by the Fund, the General Partner, Vista, or their respective affiliates in connection with the provision of such in-house services, including, without limitation, compensation and other overhead allocable to such in-house services (based on such metric as the General Partner or its affiliates determine in good faith (which metric may change over time)); fees, costs, and expenses that are classified as extraordinary expenses under GAAP; the costs associated with any amendments, modifications, revisions, or restatements to the Governing Documents of a Fund; all costs incurred in connection with the organization, management, operation, dissolution, liquidation and final winding-up of any alternative investment vehicles; and regulatory related fees and expenses associated with reporting, filing or other compliance requirements contemplated by the AIFMD (excluding expenses associated with the initial registrations, filings and compliance contemplated by the AIFMD which all fall within Organizational Expenses) or any other similar law, rule or regulation (including any implementing law, rule or regulation relating thereto) (excluding, for the avoidance of doubt, the fees and expenses related to the preparation and filing of Form PF, Form ADV, and any other registration or filing obligations not directly related to the Fund, which may be paid by the Fund and reimbursed by the General Partner or an affiliate thereof), and all costs associated with operating any applicable feeder vehicle to the extent not borne by such feeder vehicle, including all expenses associated with its management, operations, winding-up, liquidating, and dissolution and with preparing and distributing such feeder vehicle’s financial statements, tax returns, and limited partner reports, including expenses related to preparing, printing, and distributing investor reports physically or electronically (including software used to distribute such reports), but not including any excess income based or similar taxes, fees or other governmental charges levied against such feeder vehicle; any travel, lodging, meals, entertainment or related expenses relating to any of the foregoing, including in connection with consummated or unconsummated investment and disposition opportunities, any organizational expenses; costs of past or anticipated Fund restructurings or secondary transactions; all costs attributable to amendments to, and waivers, consents or approvals pursuant to Governing Documents of the Fund, the General Partner and any related entities and any alternative investment vehicle of the Fund, including those Vista considers to be necessary or desirable to comply with the provisions of the AIFMD, including the preparation, distribution and implementation thereof, and any other costs approved by the Advisory Committee, expenses incurred in connection with complying with the provision of investor side letter agreements (including “most favored nation” provisions) and any associated software or technology to assist in the compliance therewith; and all expenses and costs attributable to amendments to, and waivers, consents or approvals pursuant to, the Governing Documents of the Fund, the General Partner and related entities and any alternative investment or feeder vehicle of the Fund, including the preparation, distribution and implementation thereof).



Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities, and obligations of legal counsel, consultants, and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Other Fees (as defined below)) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. The General Partner reserves the right to agree with joint venture or similar partners, service providers, lenders, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation.

Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring, and complying with investment guidelines and directives relating to the Fund's strategy, including in side letters relating thereto, and (where applicable) environmental, social, governance (ESG) and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

As used throughout this Brochure, "travel and travel-related" expenses shall be deemed to include, without limitation, commercial and noncommercial transportation costs (including private or chartered, first-class, or business-class travel, and premium car service), lodging, and accommodations.

In the event that Vista determines to structure a Fund's investment using a blocker corporation (or other structure), all costs, expenses and reductions in proceeds that the General Partner determines are attributable to such blocker corporation (or other structure), including those related to operation, winding-up, dissolution and liquidation of, and all taxes incurred in connection with, related to or imposed on, such blocker corporation (or other structure), will generally be borne solely by the Limited Partners investing through such blocker corporation (or other structure).

Hedge Fund Expenses

Each Hedge Fund will bear all costs, expenses, liabilities, and obligations relating to its activities, investments, and business, including (i) all costs, expenses, liabilities, and obligations that Vista reasonably determines to be related to the investment of the Hedge Fund assets, including, without limitation, all fees and expenses incurred in connection with credit facilities (including commitment fees incurred in connection with such facilities and accounting, and legal fees and expenses incurred in connection with negotiating such facilities); margin and other interest expenses and transaction fees; brokerage commissions; expenses relating to short sales; clearing and settlement charges; costs of swaps or derivative instruments; hedging costs; bank service fees and interest expense; fees and expenses relating to research, including market and industry research (including an allocable portion of any research or other service that may be deemed to be bundled for the benefit of such Fund), as well as the data subscription services and



other information technology systems used to obtain such research and other information, and services from data providers and data management software; the costs of investigating, sourcing, evaluating, developing and researching actual or potential investments, including, without limitation, third-party fees (including the Hedge Fund's share of expenses, due diligence, and other costs related to the acquisition, holding, or disposition, bankruptcy, or restructuring of investments (in each case, whether or not the related transaction is consummated)) and including, in the case of any investments designated as "special investments," travel, lodging, meals, entertainment or related expenses; (ii) legal, accounting, auditing, and out-of-pocket costs, if any, associated with any third-party examination, audits, inquiry, investigation, settlement or review (including similar services) of the Hedge Fund that are attributable to the operation of the Hedge Fund, insurance (including directors and officers, fidelity bond, management liability, data protection, cybersecurity, errors and omissions liability and crime coverage, and all deductibles, premiums and charges in connection with the maintenance thereof), custodial, expert network, other consulting, financing, appraisal (including the costs of any third-party valuation agents or pricing services), filing, title, printing, transfer, registration, administration (including any anti-money laundering laws and regulations, administration, tracking or reporting software or services, if any, maintaining the books and records of the Hedge Fund and related internal costs that the Hedge Fund may incur to produce any such books and records or external costs for a third-party administrator to maintain and oversee the Hedge Fund books and records), advisory, tax and other professional services, information technology system expenses (including the costs of developing, implementing and maintaining computer software and hardware and other technological systems for the benefit of the Hedge Fund, the partners or the Hedge Fund's investments, and costs associated with the preparation or distribution of the Hedge Fund financial statements, tax returns, and any related reporting to Limited Partners or any other administrative or other Hedge Fund-related reporting or filing, as well as the costs of printing and mailing, or transmitting or otherwise making available electronically, reports and notices); (iii) all out-of-pocket fees and expenses incurred by the Hedge Fund, Vista, the relevant General Partners, or any of their affiliates in connection with any meetings of the Limited Partners; (iv) any taxes, fees, or other governmental charges levied against the Hedge Fund (except to the extent that the Hedge Fund is reimbursed therefor by a reimbursing partner) and any costs of or related to the Hedge Fund representative (or any corresponding "designated individual") as provided for in the Governing Documents; (v) costs that are classified as extraordinary expenses under GAAP; (vi) any regulatory related fees or expenses related to the Hedge Fund (excluding, for the avoidance of doubt, any fees and expenses related to the preparation and filing of any Form PF and any other registration or filing obligations not directly related to the Hedge Fund); (vii) the fees and expenses of asset and financial administration; (viii) organizational expenses (including the costs of preparing any agreements and documents relating to the formation of the Hedge Fund and the initial offering of the Hedge Fund interests); (ix) expenses relating to the offer and sale of the Hedge Fund interests (including legal, printing, and mailing expenses); (x) all costs attributable to amendments to, and waivers, consents or approvals pursuant to, the Governing Documents of the Hedge Fund, the General Partner and any related entities and any intermediate holding vehicle of the Hedge Fund; and (xi) other similar expenses related to the Hedge Fund. Investments by each Hedge Fund's Limited Partners will also be subject to the Management Fee, as described above.

Co-Investment Vehicle Fees and Expenses

Under the Vista Co-Investment Strategies, Vista permits certain Investors to co-invest in portfolio companies alongside one or more Funds, or through one or more co-investment vehicles, subject to Vista's related policies and practices and the relevant Governing Documents and/or side letters. If a proposed transaction is not consummated and no co-investment vehicle is formed, or a co-



investor is not admitted to a vehicle that is formed, the full amount of expenses relating to such proposed but unconsummated transaction would be borne by the Fund or Funds selected by Vista as proposed Investors for such proposed transaction (including reverse termination fees, extraordinary expenses such as litigation costs and judgments, and other expenses). If a co-investment vehicle is formed, a co-investor has been admitted to the vehicle and such vehicle is fully permitted to participate in such transaction, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds, although, from time to time, the Fund alongside which a co-investment vehicle is investing generally will bear such costs directly or indirectly. To the extent co-investment vehicles or similar entities are formed in connection with a proposed transaction that is not consummated, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, all broken deal expenses relating to the unconsummated transaction (including reverse termination fees, extraordinary expenses such as litigation costs and judgments, and other expenses) are likely to be borne entirely by the Funds, and not by any prospective co-investors that were to have participated in such transaction. As a result, such costs are typically borne by the Fund or Funds selected by Vista as proposed investors in such proposed transaction, which will result in such Fund or Funds bearing more than its pro rata share of such unconsummated transaction costs. In many cases, no co-investment vehicle will have been formed at such time. Similarly, co-investment vehicles are not required to be allocated any share of breakup fees paid in connection with such an unconsummated transaction. To the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such planned transaction, and such vehicle is fully permitted to participate in such transaction, such vehicle generally will bear its share of such broken deal expenses where permitted by such vehicle's governing documents. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

Costs associated with proposed but unconsummated transactions are expected to include, without limitation, legal, accounting, advisory, consulting or other third-party expenses (including amounts payable to third parties); any travel and travel-related expenses; all fees, costs, and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees); any breakup fees, reverse termination fees, or topping, termination, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the investment entities, or other similar fees, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property that are forfeited in connection with a proposed investment that is not consummated.

The Management Fees, Carried Interest, and other fees and expenses borne by Investors in Vista's Co-Investment Strategies are described in the Governing Documents of the relevant vehicles. Vista and its affiliates have discretion to (i) receive performance-based compensation, investment advisory fees, disposition fees or other similar fees from co-investors and (ii) collect customary fees in connection with actual or contemplated investments that are the subject of co-investment arrangements.

From time to time, certain of the Funds will incur certain ongoing expenses that benefit a co-investment vehicle or co-investor (for instance, insurance premiums). In such instances, these ongoing expenses will be borne solely by the applicable Fund or Funds and will not be borne by any benefiting co-investment vehicle or co-investor.



Special Purpose Vehicle Expenses

From time to time, the General Partner of a Fund creates certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal, and regulatory considerations of Investors (“SPVs”). In the event the General Partner creates an SPV, consistent with the Governing Documents of the applicable Fund expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV will typically be borne by the SPV, and indirectly the investors thereof. In addition, expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain Investors in the Fund (including, without limitation, expenses of accounting and tax services) will typically be borne by the Fund and indirectly, the investors thereof (even if such investors do not participate in any such feeder fund or similar vehicle), including all expenses associated with its management, operation, winding-up, liquidating and dissolution.

Equity and Perennial Fund Portfolio Company Fees and Expenses

Other Fees

Vista and its affiliates and personnel (on behalf of Vista) have received or expect to receive in the future a variety of cash, equity and other noncash fees relating to the investment activities of a Fund, its portfolio companies and prospective portfolio companies, including breakup fees, closing fees, director’s fees, or other similar fees from portfolio companies (collectively, “Portfolio Company Fees”). The amount and timing of Portfolio Company Fees received by Vista, or its affiliates are generally specified in the documentation governing the applicable transaction.

With respect to the Equity Funds, Vista and its affiliates have and may in the future receive “monitoring fees” pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other similar ongoing services provided by Vista to such portfolio companies (“Equity Funds Monitoring Fees”). The terms of a monitoring agreement may include (among other things) annual automatic renewals. Equity Funds Monitoring Fees may be fixed fees or calculated as a percentage of EBIDTA or similar performance metric. The Equity Funds Monitoring Fees, together with the Portfolio Company Fees, are referred to herein as the “Other Fees.”

Generally, under the terms of the applicable Governing Documents, Other Fees are in addition to out-of-pocket costs and expenses incurred by Vista in connection with any consummated or unconsummated transaction or in connection with generating any such fees. Other Fees are substantial and may be paid in cash, in securities of the portfolio companies, prospective portfolio companies or investment vehicles (or rights thereto), or otherwise. Although Other Fees are in addition to the Management Fees, Vista will in some circumstances reduce the amount of Management Fees paid by the applicable Fund in connection with the receipt of such Other Fees to the extent of such Fund’s proportional interest in the portfolio company paying such Other Fees in accordance with the Advisory Agreement and/or Governing Documents of the applicable Fund.

As some Funds may not pay Management Fees, any such reduction will not benefit such Funds, and Vista will retain such amounts not offset. Vista and/or its affiliates generally have discretion over whether to charge such fees including the timing and/or amount thereof. From time to time, Vista will, in its discretion, disclose to the relevant Advisory Committee (as defined below) the amount of Other Fees, VCT Fees (as defined below), and other compensation paid for services by VCT (including VCG) by portfolio companies.



In certain circumstances, one or more co-investors or co-syndicators are likely to have different contractual, policy, or similar obligations with respect to Portfolio Company Fees, and accordingly, Vista or its affiliates may receive Portfolio Company Fees attributable to such persons on a different (and potentially more favorable) basis than Portfolio Company Fees attributable to a particular Fund.

In many cases, there is not an independent third party involved on behalf of the relevant portfolio company negotiating fees charged by Vista, its affiliates, and VCT (including VCG), and therefore the fees are not subject to a market check. A conflict of interest may exist in the determination of any such fees with the portfolio company by virtue of Vista acting on behalf of both parties; see the discussion of conflicts of interest in Item 11.

Further, VCT (including VCG) and members thereof are entitled to receive fees from portfolio companies or Funds related to consulting, management, due diligence, and other services ("VCT Fees"). In general, VCT's services are being provided to implement the Value Creation Plan and prioritize and deploy the proprietary Vista Best Practices and/or to provide specific shared business services at portfolio companies of the Funds. VCT Fees may be structured in various ways, including as an annual fee, retainer, consulting fee (e.g., time and materials), subscription fee, or success fee, or on a project-basis. VCT Fees are generally paid in exchange for services that the portfolio companies, prospective portfolio companies, or Funds would otherwise need to engage third-party providers to perform. Unlike the Other Fees described above, each of which is shared with the Funds and their Investors through reductions or offsets against Management Fees, VCT Fees are retained by VCT and are in addition to the Management Fee paid by the Funds to Vista, and subject to certain limitations in the Funds' Governing Documents, fees received for services by VCT are generally not subject to a Management Fee offset. Notwithstanding the foregoing, the Governing Documents of certain Funds provide for the maximum amount of VCT Fees eligible to be charged to a portfolio company per year, the excess of which needs to be applied as a Management Fee offset.

VCG intends to operate at or near break-even, as assessed on an annual basis by Vista but given the lag in determining break-even status at the end of a year compared to establishing rates at the beginning of the year, VCG may not always be operated at break-even status.

From time to time, Vista will (in its sole discretion) agree to pay a portion of an Other Fee received from an actual or prospective portfolio company to a third party ("Third-Party Fee"), such as a consultant, advisor, finder, broker, and/or investment bank. In such event, the Third-Party Fee is not a fee that Vista is entitled to retain, and therefore, Vista is not required under the terms of the applicable Governing Documents to share such Third-Party Fee with the Funds.

Portfolio Company Expense Reimbursement

Portfolio companies reimburse Vista for expenses (including, without limitation, expenses related to training programs, meetings, and other events, certain entertainment expenses, travel and travel-related expenses, and expenses relating to recruiting, relocation, and background checks for portfolio company positions) incurred by Vista in connection with its performance of services for such portfolio company, as well as consulting fees, certain legal expenses (including legal costs associated with reviewing financial documents and agreements) and other cash and noncash compensation and expenses incurred. Subject to any applicable Management Fee offsets (as described below), as set forth in the Governing Documents and above, Vista or its affiliates are reimbursed by a portfolio company with respect to Vista or its affiliates providing services to such portfolio companies. Because certain expenses are paid for by a Fund and/or its



portfolio companies or, if incurred by Vista, are reimbursed by a Fund and/or its portfolio companies, Vista may not necessarily seek out the lowest-cost options when incurring (or causing a Fund and/or its portfolio companies to incur) such expenses, which could result in lower returns to investors.

Management Fee Offsets

The Management Fees for the Equity, Perennial, Credit, and Hedge Funds are offset, partially or fully, as detailed within each of the respective Funds' Governing Documents, by fees including, but not limited to, certain transaction fees, consulting fees (which are in addition to the VCT Fees described above), placement agent fees, monitoring fees, or similar fees from portfolio companies in a Fund or prospective portfolio companies for services provided by Vista. In certain Equity Funds and the Perennial Fund, the Management Fee offset may include a portion of the VCT Fees related to VCT (including VCG) services provided to the portfolio companies or prospective portfolio companies in the Equity Funds and the Perennial Fund if they are charged in excess of an agreed upon amount per annum.

The amount and manner of such reduction, if any, is set forth in the Advisory Agreement and/or Governing Documents of the applicable Fund. To the extent a reduction relates to more than one Fund, Vista shall allocate the resulting Management Fee reduction among the applicable Fund(s) in proportion to their interest (or prospective interest) in the portfolio company. As some Funds may not pay Management Fees, any such reduction will not benefit such Funds, and Vista will retain such amounts not offset. Generally, the portion of Other Fees allocable to capital invested by a Fund, co-investment vehicle, or third-party Investor that does not pay Management Fees, or to capital committed by a Fund investor that does not pay Management Fees, will be retained by Vista, and such amounts will not offset any Management Fee. Further, Vista will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

Vista and its affiliates receive from certain portfolio companies fees related to consulting, advisory, or similar services that are not included in the Management Fee offset described above.

VCT members (including VCG employees) have received as compensation options granted by portfolio companies, and the value of such options also will not be included in the Management Fee offset described above.

Portfolio companies of the Equity Funds and the Perennial Fund pay arranger fees in connection with debt issued by such portfolio companies. In instances where one or more Credit Funds participate in such debt issuance, the participating Credit Fund(s) have and may in the future receive their pro rata share of arranger fees or other economics, and such fees will not offset any Management Fee of the Equity, Perennial, or Credit Funds.

Carried Interest Payments

Please see Item 6 below regarding "Carried Interest" that the Funds may pay.

Brokerage Fees

Where Vista utilizes the services of broker-dealers to effect portfolio transactions for the Equity Funds, the Perennial Fund, or the Hedge Funds, such Fund will incur brokerage and other transaction costs. Additionally, the Credit Funds may utilize broker-dealers to trade in debt



instruments on the secondary market and incur related costs. Certain of the Funds' Governing Documents permit Vista or its affiliates to receive offering, placement, syndication, underwriting, solicitation or similar fees, commissions, or other transaction-based compensation in connection with services provided by an affiliate registered broker-dealer to the applicable Fund or its current portfolio companies or prospective portfolio companies. Such fees would generally not offset any Management Fees. Although Vista has not formed or historically utilized a registered broker-dealer affiliate to provide such services or received such fees, Vista reserves the right to do so in accordance with the Funds' Governing Documents. For additional information regarding brokerage practices, please see Item 12 below.



ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As indicated in Item 5 above, certain of the Funds pay performance-based fees, including the payment of carried interest (“Carried Interest”) or incentive allocations, which vary across the Funds. The General Partner, or an affiliate, of each Equity Fund, Perennial Fund, Credit Fund and Hedge Fund receives performance-based fees from the Fund it manages. The precise amount of, and the manner and calculation of, Carried Interest and incentive allocations are detailed in each applicable Fund’s Governing Documents. Carried Interest and incentive allocations paid by a Fund are indirectly borne by the Investors. Performance-based fees differ from one Fund to another, as well as among Investors in the same Fund. Certain Funds and investors in such Funds (including Vista Investors and Adviser Personnel affiliated funds) incur lower or no Carried Interest.

The payment of Carried Interest and incentive allocation by some, but not all, Funds, and the payment at varying rates, creates an incentive for Vista to disproportionately allocate time, services, or functions to Funds paying Carried Interest, or the Funds paying Carried Interest at a higher rate, or to allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Governing Documents of the Funds, this conflict is mitigated at least in part by (i) certain limitations on the ability of Vista to establish new investment funds; (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously; and/or (iii) contractual provisions or procedures setting forth investment allocation requirements. Further, the existence of performance-based fees has the potential to create an incentive for the General Partner to make more speculative portfolio investments on behalf of a Fund than it would otherwise make in the absence of such a performance-based arrangement, although Vista generally considers performance-based compensation to better align its interests with those of its Investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals. Vista has established procedures to address these potential conflicts of interest to ensure that transactions and investment opportunities are allocated to the Funds on a fair and reasonable basis and in accordance with each Fund’s investment guidelines and Governing Documents.

Equity Funds and Perennial Fund Carried Interest

The Equity Funds and Perennial Fund expect to charge Carried Interests of all realized profits subject to certain preferred return, as more fully described in the relevant Governing Documents, which is allocated to the relevant Fund’s General Partner. The Carried Interest distributed to the relevant Fund’s General Partner is subject to potential clawback or giveback at the end of life of the Fund if the General Partner has received excess cumulative distributions and at certain interim intervals as provided in the relevant Governing Documents.

Credit Funds Carried Interest

The Credit Funds expect to charge Carried Interests of all realized profits subject to certain preferred return, as more fully described in the relevant Governing Documents, which is allocated to the relevant Fund’s General Partner. The Carried Interest distributed to the relevant Fund’s General Partner is subject to potential clawback or giveback at the end of life of the Fund if the



General Partner has received excess cumulative distributions as provided in the relevant Governing Documents.

Hedge Funds Incentive Allocation

The Hedge Funds expect to charge an incentive allocation equal to 20% (with respect to Series A Shares/Interests), 17.5% (with respect to Series B Shares/Interests), or 15% (with respect to Series C Shares/Interests) of the excess of the aggregate net profits (as defined in the Hedge Funds' Governing Documents) attributable to each investor, which is allocated to the applicable Hedge Fund's General Partner, either at the end of the fiscal year (or other period), or upon withdrawal of capital. For withdrawals and transfers, the incentive allocation only applies with respect to the amount of capital withdrawn or transferred.

Carried interest and incentive allocation are subject to modification, waiver, or reduction in Vista's sole discretion. Vista, its affiliates and certain of its professionals or others who are not employees of Vista or its affiliates, but who have a preexisting business relationship with Vista may invest alongside a Fund. Fees assessed, including Carried Interest or incentive allocation and Management Fees, have been and may be in the future substantially reduced or, as is more typical, waived altogether for these Investors.

Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by Vista.



ITEM 7: TYPES OF CLIENTS

Vista currently provides investment supervisory services to its Fund clients, and references throughout this Brochure to “clients” and to Vista’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Investment advice is provided directly to the Funds (subject to the direction and control of the General Partner of each such Fund, if applicable) and not individually to Investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and include U.S. and non-U.S. corporations, endowments, estates, foundations and university endowments, banks or thrift institutions, state or municipal government entities, government-owned investment entities, high-net-worth individuals, corporate and state pension and profit-sharing plans, Taft-Hartley plans, pooled investment vehicles and trusts, and include, directly or indirectly, principals or other employees of Vista. Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act.

Investors in the Funds are requested to refer to the Governing Documents of the applicable Fund for complete information on the minimum investment requirement for participation in that Fund. Vista does, however, maintain discretion to individually waive, increase, or reduce the minimum investment commitment required for any of its Funds (and has done so in the past).



ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Equity Funds

Vista invests in equity and (where permitted by Governing Documents) debt interests of companies on behalf of the Equity Funds it manages. Vista invests in different structures such as leveraged buyouts and take-private transactions as well as recapitalizations, private investment in public equity, carveouts, and general buyouts. The Equity Funds from time to time also have an opportunity to invest in the equity and (where permitted by Governing Documents) debt instruments of companies that the Credit Funds or Perennial Fund acquire and/or make an equity or debt investment in. While Vista generally seeks to obtain control of its investments through majority ownership, it has in the past and intends to in the future invest in minority ownership opportunities where it believes it can successfully create value. The unifying theme across the Equity Funds' various investment structures is the ability to seek to influence the outcome of the investment through the application of Vista's proprietary set of Vista Best Practices.

Certain of the Equity Funds have in the past, and may in the future, acquire minority "toe-hold" positions in public companies through open market share purchases. These public positions may be utilized as a starting point to ultimately acquire the entire company in a take-private transaction, and may be exited through open market sales when Vista feels the company has achieved fair value, or may be exited when the target company is acquired by another buyer. Similarly, in an effort to capture attractive opportunities within enterprise software, data, and technology-enabled businesses, Vista has sought to make toe-hold investments in private companies that demonstrate the rapid growth at scale that creates the potential to bypass traditional buyout transactions before they achieve a scale in excess of the range suitable for the Equity Funds. These toe-hold positions in private companies are similar to those that Vista has long taken in public companies, where as a minority investor, the Fund is able to secure a position at an attractive valuation that either reduces the cost basis in an eventual control investment or achieves an outcome at exit that meets the applicable Fund's internal cost of capital over a full deployment cycle. In addition, certain of the Equity Funds may invest in mezzanine or other debt securities or repurchase any outstanding debt issued by the portfolio companies when the market conditions are favorable.

Vista uses a proprietary process to evaluate potential investment opportunities, structure and execute transactions, and implement value-added operational strategies. Vista has established strong relationships with boutique and bulge bracket investment banks, current and former software company executives, board directors, and industry consultants who have access to investment opportunities. Vista believes its focus and experience in enterprise software and related businesses has helped to establish its investment team's strong reputation and credibility, which is influential in encouraging intermediaries to bring Vista relevant deal flow.

Vista augments its opportunities brought by traditional channels with proprietary deal sourcing. The investment team is responsible for driving Vista's proactive sourcing engine and growing the pipeline of opportunities over time. Vista's research team supports the investment team by identifying prospects of interest and further qualifying each opportunity. Vista routinely conducts research into different niche vertical software markets, often identifying targets within each



segment. This proprietary research process helps Vista understand the dynamics, competitors, trends, risks, and opportunities of a segment, enabling Vista to proactively target select companies and approach them regarding a sale of their business.

The equity investment team at Vista endeavors to take a disciplined, analytical approach to deal execution. Leveraging Vista's software domain expertise, the team typically can move rapidly through company diligence and also find potential value-creation opportunities in circumstances where Vista believes its competitors may not. The Equity Funds' Investment Committees evaluate the preliminary information on the target company to ensure any external communication reflects the respective Investment Committee's consensus.

Once Vista decides to proceed further with a potential investment, the Equity Fund investment and operational personnel prepare an in-depth investment analysis that includes the operational issues and opportunities inherent in the company and a specific post-acquisition operating plan focused on implementing the Vista Best Practices. VCT (including VCG) is also involved in investment diligence and assist in developing the details of the post-acquisition transformation plan, including, for instance, "go to market" initiatives in support of the portfolio company. Throughout the process, the investment team assigned to the investment keeps the rest of the investment and operational professionals informed of the process, progress, and issues.

Ultimate investment authority for the Equity Funds is vested in the applicable Investment Committee, and issues, questions, and concerns are addressed with the applicable Investment Committee throughout the process to ensure that investments consummated have consensus approval and those that will not achieve consensus do not incur additional time.

Perennial Fund

Vista invests in equity and (where permitted by Governing Documents) debt interests of portfolio companies on behalf of the Perennial Fund it manages. Vista invests in different structures such as leveraged buyouts and take-private transactions as well as recapitalizations, private investment in public equity, carveouts, and general buyouts. Vista invests in enterprise software business portfolio companies it believes to be "operationally mature," meaning the businesses have generally implemented operational best practices, typically run at a higher profit margin than their less efficient counterparts, and have developed longer customer relationships that create higher and more predictable recurring revenues. Vista seeks to assemble a portfolio of businesses into industry platforms by consolidating their activity and provide equity upside returns.

Vista uses a proprietary process to evaluate potential investment opportunities and structure and execute transactions. Vista has developed a network of hundreds of intermediaries (including investment bankers and brokers) and has built a proprietary database that includes thousands of enterprise software, data, and technology-enabled solutions companies. Vista believes its focus and experience in enterprise software and related businesses has helped to establish its investment team's strong reputation and credibility, which is influential in encouraging intermediaries to bring Vista relevant deal flow.

Vista augments its opportunities brought by traditional channels with proprietary deal sourcing. Vista routinely conducts research into different niche vertical software markets, often identifying targets within each segment. In addition, Vista has enhanced its deal flow by developing an internal high-quality, well-researched sourcing effort to establish relationships and meet with prospective portfolio company targets and executives. This proprietary research process helps



Vista understand the dynamics, competitors, trends, risks, and opportunities of a segment, enabling Vista to proactively target select companies and approach them regarding a sale of their business.

The Perennial Fund investment team at Vista takes a disciplined, analytical approach to deal execution. In addition to evaluating an investment opportunity based on stand-alone factors, including its industry, market shares, customer relationships and contracts, products, employee base, margins, and other factors, a separate “platform integration plan” is developed to assess complementary acquisitions in various operating categories. VCT (including VCG) generally assist the Perennial Fund’s acquisitions with platform consolidation and integrated product development. Upon achievement of certain milestones throughout the investment process, the investment team reviews the financial acquisition model (stand-alone and integrated) and the “operational maturity” of a company with the Perennial Fund’s Investment Committee to ensure continuing consensus across the investment and operating teams regarding the appropriateness of the acquisition for the Perennial strategy and the Perennial Fund.

Credit Funds

The Credit Funds’ principal focus is to originate and/or to invest in senior or subordinated debt, structured equity, preferred equity or other interests senior to common equity, as well as equity securities (or rights to acquire equity securities) acquired in connection with debt financing, structured equity and/or preferred equity transactions in management buyouts, recapitalizations, and other opportunities in enterprise software, data, and technology-enabled businesses, including companies owned by the Equity Funds and/or the Perennial Fund. The Credit Funds provide debt financing for new platform investments, add-on acquisitions, refinancing, and recapitalization transactions, and to make opportunistic investments through both direct lending and in open market purchases. Certain Credit Funds are collateralized loan obligation vehicles. The terms of the Credit Funds’ investments will depend on the facts and circumstances of the transaction, the market and opportunity for that type of debt or equity financing, and the credit attributes of a particular company. The Credit Funds may be the sole source of debt financing in certain transactions for companies where Vista does not have control, or the Credit Funds may acquire no more than 49% of a debt tranche in companies where Vista has a control equity investment. The Credit Funds will generally target specific enterprise software, data, and technology enabled companies with some or all of the following attributes: mission critical products and solutions, high levels of recurring revenues, strong profitability, robust capital structure, established and diversified customer bases, strong customer retention, and/or strong competitive positioning.

Vista’s credit investment team evaluates the creditworthiness of potential investments, including, without limitation, if applicable for certain transactions that are generally not broadly syndicated and do not trade in a primary or secondary market, by from time to time, working with the Equity Funds’ and the Perennial Fund’s investment teams (subject to certain information sharing controls) to incorporate and leverage any prior experience with the company, industry knowledge, and expertise. The Credit Funds benefit from the Equity Funds’ and Perennial Fund’s network and database of contacts. VCT (including VCG) is also involved in investment diligence on certain prospective borrowers/issuers evaluated by the Credit Funds and provide post-investment consulting services to certain companies invested in by the Credit Funds.

The Credit Funds from time to time may have an opportunity to invest in the debt and/or equity instruments of companies that the Equity Funds or Perennial Fund acquire and/or make an equity or debt investment in. The Credit Funds also leverage Vista’s relationships, reputation, credibility,



and domain expertise to source unaffiliated investment opportunities from arrangers, investment banks, and other private equity sponsors that acquire and/or manage software businesses. Through Vista's deal pipeline, the Credit Funds may also have the opportunity to evaluate deal opportunities in which Vista does not ultimately make an equity control investment, subject to certain restrictions on information sharing between the Credit Funds team, on one hand, and the Equity Fund and Perennial Fund teams, on the other.

The Credit Funds have a Credit Investment Committee that maintains responsibility for overseeing the Credit Funds' investment-related activities and approving certain investment decisions made on behalf of the Credit Funds.

All new potential investments pursued by the Credit Funds will be initially screened by a credit investment team member who will confirm fit with the Credit investment strategy, and viable opportunities will be assigned to a credit investment team. The credit investment team will review available materials and conduct an initial credit assessment, including identification of strengths, potential risks and mitigants, key questions and evaluation of the structure to support a decision to decline or move forward to perform more detailed diligence and analysis.

Once due diligence is completed, the credit investment team will prepare a final credit memorandum that summarizes the findings and makes a recommendation for approval by the Credit Investment Committee. The Credit Investment Committee has established a framework whereby investment approval authority requirements are scaled to the perceived risk profile of the underlying opportunity and/or the scenario for which approval is being sought.

Hedge Funds

The Hedge Funds pursue a fundamentally driven, research-intensive equity investment strategy with an emphasis on the global TMT sectors as well as other industries impacted by technology trends. Certain Hedge Funds pursue a long-biased strategy, while other Hedge Funds invest in long and short securities, consisting principally, but not solely, of equity and equity-related securities that are traded publicly in U.S. and non-U.S. markets. While the Hedge Funds invest a substantial majority of its capital in exchange-traded securities and securities for which they believe there is a developed over the counter market, as well as in derivative instruments, certain Hedge Funds also, subject to applicable capacity constraints, opportunistically invest in the securities of private issuers in the TMT sectors, generally in later-stage, pre-initial public offering companies (i.e., companies with private enterprise values generally from \$20 million to over \$5 billion) and generally by taking passive minority ownership positions in such issuers.

The Hedge Funds' investment teams frequently interact with the broader Vista platform in connection with the identification of unique investment opportunities, conducting due diligence on investments, and providing follow-on judgment as the investment risk/reward evolves (subject to Vista's information barriers and other procedures designed to control the flow of material nonpublic information). The Hedge Funds have invested in securities also owned by the Equity Funds and may invest in securities also owned by the Equity Funds, Credit Funds, or the Perennial Fund in the future. Similar to the Equity Funds and the Perennial Fund, the Hedge Funds' investment teams leverage fundamental analysis to identify mispriced assets.

Subject to certain restrictions related to its information barrier, the Hedge Funds' investment teams have established a process-driven approach to unearthing opportunities for investment in the public markets, which may be supported by recurring due diligence sessions with Vista



portfolio companies and utilizing the extensive industry knowledge of Vista and VCT (including VCG) and their personnel.

The Hedge Funds construct proprietary financial models for each company considered for a significant investment and monitor the landscape for dislocations between consensus and their own expectations. The Hedge Fund teams employ a disciplined iterative and real-time approach to monitoring risk/reward in seeking to determine entry and exit positions and interim position-sizing. Subject to certain restrictions related to its information barrier, the Hedge Funds leverage the expertise of the Equity Fund, Perennial Fund, Credit Fund personnel, and VCT (including VCG). The Hedge Funds' investment teams conduct on-site company visits, schedule product demonstrations, attend investment conferences and have follow-up conversations with company executives on a consistent basis.

Depending on the type of security and size of the contemplated investment, the investment team creates a general overview, valuation comparison, relevance to the Hedge Fund investment mandate, an investment memo presentation with financial models, or a long-form investment memo presentation and accompanying more extensive analysis financial model(s).

Risk Factors

Risks Applicable to All Funds

Investing in the Funds Vista manages entails a high degree of risk and, therefore, should be undertaken only by investors capable of evaluating and bearing certain risks, including the possibility of partial or total loss of capital. Investors must be prepared to bear capital losses that might result from investments. In addition, there will be occasions when Vista or its affiliates encounter potential conflicts of interest in connection with the activities of a Fund.

Investors are urged to carefully review the risk factors set forth in each Fund's Governing Documents, which include a more complete description of risk factors associated with an investment in such Fund. In addition to those risk factors, a Limited Partner should also carefully review the risks and potential conflicts that include, but are not limited to, the following:

Reliance on Vista and Portfolio Company Management Teams

While Vista investment professionals and VCT members (including VCG) will devote that portion of their time to the affairs of a particular Fund as they believe is necessary for the proper performance of their duties, they will likely devote substantial amounts of time to other investment activities of Vista. Such activities are likely to require those individuals to devote substantial amounts of their time to matters unrelated to the business of that particular Fund, including Vista's existing or future portfolio of investments, which is likely to pose conflicts in the allocation of Vista's resources. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although Vista will be responsible for monitoring the performance of each portfolio investment and the Funds seek to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully. The success of many of Vista's portfolio companies is heavily dependent on the management of such companies.

The General Partners will have exclusive responsibility for the Funds' activities, and other than as expressly set forth in the relevant Governing Documents, Limited Partners will not be able to make decisions with respect to the acquisition, management, disposition or other realization of



any investment, or other decisions regarding the conduct of the Funds' business and affairs. The General Partners will be solely responsible for making all investment decisions on behalf of the Funds, and the Funds' future profitability will depend largely upon the business and investment acumen of Vista principals. There is an ever-increasing competition among alternative asset firms, financial institutions, private equity firms, investment managers and other industry participants for hiring and retaining qualified investment professionals. There can be no assurance that the Vista principals will remain with Vista. There can be no assurance that the Vista principals will not be solicited by and join competitors or other firms or that Vista will be able to hire and retain any new personnel or add to its roster of investment professionals. The loss of the services of any one or more of the principals could have an adverse impact on the Funds' ability to realize their investment objectives. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Funds or one or more of their portfolio companies, including potential acceleration of debt facilities.

The Ability of the Investment Team to Source and Select Attractive Investment Opportunities

Identifying and completing attractive private equity, debt investments, and publicly traded securities is highly competitive, reducing the number of investment opportunities available to a Fund and/or adversely affecting the terms upon which investments can be made. Vista will be competing with other similar investors and with financial institutions for the acquisition of investments. There can be no certainty that Vista will be able to identify and complete a sufficient number of attractive Fund investments to meet client investment objectives or enable the full amount of capital committed to a Fund to be invested. In addition, the Funds are permitted to invest in companies with varying degrees of leverage that involve a higher degree of risk.

Dynamic Investment Strategy

While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process, or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the relevant Governing Documents. A General Partner is permitted to pursue investments outside of the industries and sectors in which Vista has previously made investments or has internal operational experience.

Concentration of a Fund's Investments in the Software Industry

The Funds' portfolio investments will be concentrated in the software sector. Concentration in a single industry involve risks greater than those generally associated with diversified investment funds, including significant fluctuations in returns. Enterprise software companies serve virtually every vertical market. The vertical market focus of such companies is a core reason for their stability and longevity, as these businesses offer their customers unique, industry specific capabilities typically not available from general purpose software vendors or new technology startups. The software industry is, however, challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, changing consumer preferences, short product life cycles, services and/or improvements in existing products. The software sector as a whole is highly cyclical. Companies require software to operate their businesses without regard to other market conditions. Further, a Fund may be concentrated in a limited number of investments, geographical regions, asset types, or sectors. To the extent a Fund concentrates its investments in a particular issuer, industry, security, or geographic region,



its investments may be more susceptible to fluctuations in value resulting from adverse economic, political, regulatory, and business conditions than investment portfolios that are more diversified. Other than as set forth in the Governing Documents, Investors have no certainty as to the investment diversification of a Fund.

Competing Investments; Interaction of Portfolio Companies

Vista reserves the right to make investments on behalf of itself and/or other Vista entities that are competitive to the companies that the Fund makes an investment in (for example, another Vista entity may invest in a portfolio company (in which, for these purposes, the Funds may have no interest) that competes with a portfolio company of the Funds). In providing advice and recommendations to, or with respect to, such investments and in dealing with such investments on behalf of such other Vista entities, to the extent not prohibited by law, Vista will not take into consideration the interests of the Fund, the Fund's portfolio companies and the investments. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Funds or their investments.

Investing in Smaller or Less Established Companies

The Funds are permitted to invest a portion of their assets in the securities of smaller or less established companies. Investments in such smaller or less established companies may involve greater risks than generally are associated with investments in larger or more established companies. Such companies are typically subject to a greater degree of change in earnings and business prospects than are companies with larger market capitalizations. In addition, such securities typically trade in lower volume and are more volatile than the securities of companies with larger market capitalizations. Therefore, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Smaller or less established companies tend to have lower capitalizations and fewer resources, and therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance.

Restricted Nature of Investment Positions

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

Limited Access to Information

Limited Partners' rights to information regarding a Fund, the relevant General Partner and its affiliates or Vista generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to Limited Partners because such disclosure is prohibited, including as a result of



contractual, legal or similar obligations outside of Vista's control. Decisions by Vista or its affiliates to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor Vista and its performance. Additionally, it is anticipated that Limited Partners that designate representatives to participate on a Fund's Advisory Committee generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other Limited Partners. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Vista reserves the right to withhold certain information from Investors subject to such laws for reasons relating to Vista's public reputation, business strategy or other reasons.

Material Nonpublic Information

Vista or its affiliated persons will come into possession, from time to time, of material nonpublic or other confidential information about public companies that, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, Vista and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is an Investor in any fund or account managed or advised by Vista. Accordingly, should Vista or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Vista and its affiliated persons would be prohibited from communicating such information, and Vista and its affiliated persons would have no responsibility or liability for failing to disclose such information to any Fund or Limited Partners as a result of following its policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Adviser personnel serving as directors of public companies and may restrict trading on behalf of funds or accounts managed or advised by Vista.

To partially mitigate the foregoing risks, Vista has established information barriers between various business units within Vista that restrict communications between each of those business units. Consequently, while one investment team operating in one business unit is expected to have knowledge of information that could be pertinent to an investment and/or disposition decision of a Vista entity operating in another one of the business units, the investment professionals of the other Vista entity will not have access to such information. Similarly, the receipt of material nonpublic information by one investment team would only restrict the operation of that business unit and would not restrict other business units' operations. However, an information barrier would not restrict the flow of information that one business unit wishes to receive from another business unit, as that business unit can opt out of the barrier in its discretion, subject to the restrictions on use of any material nonpublic information received as a result. Additionally, certain Adviser Personnel are considered "above the wall" and therefore exempt from the information barriers. As a result of this treatment and the resulting access to material nonpublic information, such personnel may be required to recuse themselves in connection with certain matters, which may impede the relevant Fund's investment program or operations. There can be no guarantee that informational barriers will be able to prevent all issues relating to material nonpublic information.

To the extent Vista shares information across the information barriers, the receipt of material nonpublic information will restrict all Funds and accounts managed or advised by Vista in receipt of the information. Due to these restrictions, a Vista Fund may not be able to initiate a transaction



that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold. Consequently, the possession of material nonpublic information by Vista or its affiliated persons may limit the ability to buy and sell investments in the relevant company by funds and accounts managed or advised by Vista. For further discussion, see also the Conflicts of Interest section below.

Furthermore, to the extent not restricted by confidentiality requirements or applicable law, Vista will apply experience and information gained in providing services to portfolio companies and other investments to provide services to competing portfolio companies and investments of Vista or other Vista Funds, which may have adverse consequences for a particular Fund.

In addition, Vista receives and generates various kinds of portfolio company data and other information, including related to and in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, ESG and other metrics, financial information, commercial and transactional information, user data, costs data and related data or information. This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of a Fund's investment (or prospective investment) in a portfolio company. As described above, the receipt of such information may restrict a Fund from transactions in the relevant company. Such information will also be periodically received in the ordinary course as a result of Adviser Personnel serving as directors of a public portfolio company and could cause the Fund to be restricted from transactions in the relevant portfolio company more often than if Adviser Personnel did not serve in such positions, which could have an adverse effect on Fund performance if Vista desired to engage in such transactions (including disposing of an investment in a timely manner). Vista has in the past and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. Further, data is expected to be aggregated across the Funds and their respective portfolio companies and, in connection therewith, Vista is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. The Adviser may also share data from a portfolio company of one Fund with a portfolio company of the same Fund or another Fund. Vista has used and expects in the future in certain instances to use this information in a manner that provides a material benefit to Vista, its affiliates, or to other Vista Funds without compensating or otherwise benefitting such Fund, including in identifying specific investment or business opportunities. In addition, Vista may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Vista has in the past utilized and is likely in the future to utilize such information to benefit Vista, its affiliates or other Vista Funds in a manner that may otherwise present a conflict of interest resulting from the particular facts and circumstances but does not intend to specifically disclose such conflicts to such Fund.

Other Professional Services to the Fund and Portfolio Companies

A Fund is expected to bear as Fund expenses an allocable portion of the compensation and expenses attributable to certain in-house legal, administration, accounting, finance, tax, compliance, ESG and other professionals employed by Vista or its affiliates in respect of services performed on behalf of the Fund, its investments and its portfolio companies. Vista will determine the cost of services performed by such in-house professionals in good faith and in its sole discretion. In allocating such expenses, Vista's methodologies may include requiring personnel, in a reasonable manner, to record and allocate their time on a routine basis to the Fund, its investments and its portfolio companies, or any other methodologies they determine to be fair and reasonable under the circumstances. Because Vista's in-house expense calculation and



allocation processes rely on certain judgments and assessments that in turn are based on information and estimates from various inputs, the calculations and allocations that result may not be exact. In the future, Vista may use additional or different methods to allocate in-house expenses in a manner that it determines to be fair and reasonable.

OneVista

Vista continues to evolve its engagement with the enterprise software sector and empower organizations to fuel their digital transformation efforts. In furtherance thereof, Vista launched the “OneVista” initiative to leverage the broad reach of the Vista platform and the network effect of its portfolio. Through OneVista, Vista and VCT (including VCG) have sought, and will likely continue to seek, to identify and help facilitate synergies between and among its portfolio companies (including those held by different Vista entities) with the aim of enabling strategic partnerships and collaborations between and among such portfolio companies, thereby enhancing their respective go-to-market strategies. The OneVista team works with one or more portfolio companies to facilitate sales opportunities. In connection therewith, the applicable participating Fund portfolio companies will bear fees, costs and expenses related to such efforts, including for success fees with respect to OneVista services. In certain circumstances, a portfolio company that is a member of the OneVista ecosystem will bear more than its proportionate share of the fees, costs, and expenses, as compared to other member portfolio companies. Further, some members of the OneVista ecosystem may derive greater benefits than other members in these arrangements, which would in turn confer greater benefits on some Vista Funds than other Vista Funds. There can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services or benefits at lesser cost. In facilitating the OneVista activities, Vista and its affiliates face potential conflicts of interest because, although Vista and its affiliates intend to make recommendations that they believe are aligned with a portfolio company’s financial and operational strategies and that they anticipate will enhance investment performance, Vista and its affiliates have an incentive to make such a recommendation because of its, or its affiliates’, financial or business interests. Further, there can be no assurance that Vista will be able to achieve its objectives with respect to OneVista or, if any such activities are conducted, that such activities will not have an adverse effect on the applicable portfolio companies.

General Economic and Market Conditions

The private equity industry generally, the market for debt and other investments and the success of a Fund’s investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Fund’s investments), trade barriers, currency exchange controls, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and national and international political, environmental and socioeconomic circumstances (including pandemics, wars, terrorist acts or security operations). 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 Fund and may affect the Fund’s ability to make investments. Instability in the securities markets and economic conditions generally (including a slowdown in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Fund’s investments and could have a negative impact on the performance and/or valuation of the Fund’s portfolio companies. These conditions and opportunities may include, among others, the reduction in the availability of subscription facilities, the continuation



of debt fund fundraising and deployment, the continued demand for non-investment grade debt and the expansion of the leveraged buyout market. No assurance can be given that such conditions, trends, or opportunities will arise or continue, as applicable, or that investments can be acquired or disposed of at favorable prices or that the market for Investments will either remain stable or, as applicable, grow or improve, since this will depend upon events and factors outside the control of Vista. These factors may affect the level and volatility of market prices and the liquidity of the Investments, which could impair the Funds' profitability or result in losses. 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 Funds and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slowdown in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the Funds' portfolio companies. Vista's financial condition may be adversely affected by a significant general economic downturn, and it may be subject to legal, regulatory, reputational, and other unforeseen risks that could have a material adverse effect on Vista's business and operations and thereby could impact the Funds. Moreover, a renewed downturn in the U.S. or global economy (or any particular segment thereof) or weakening of credit markets or other market events, including events similar to the global financial crisis in 2008, the downgrading of the credit rating of the U.S. in 2011 or the COVID-19 pandemic, could impact the public market comparable earnings multiples used to value privately held portfolio companies and, as a result, could adversely affect a Fund's profitability, impede the ability of a Fund's portfolio companies to perform under or refinance their existing obligations, and impair a Fund's ability to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a particular portfolio company's capital structure or an obligor's capital structure. Vista itself could also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry. Similarly, Vista's portfolio companies historically have regularly utilized the corporate debt markets in order to obtain financing for their operations. Any market turmoil, coupled with the threat of an economic slowdown, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally, which in turn may adversely affect or restrict the ability of a Fund to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of the Fund, restrict the Fund's investment activities and/or impede the Fund's ability to effectively achieve its investment objective.

In addition, there can be no assurance that substantial volatility in stock markets will not have an adverse effect on the Funds.

While Vista expects that the current environment will yield attractive investments for the Funds, there can be no assurances that conditions in the global financial markets will not deteriorate and/or adversely affect one or more of the investments, the Funds' access to borrowing through a subscription line or credit facility or the Funds' overall performance. The Funds' investment strategy and the availability of investments satisfying the Funds' risk-adjusted return parameters rely in part on the continuation of certain trends and conditions observed in the market for investments (e.g., the inability of certain businesses to obtain financing solutions from traditional lending sources or otherwise access the capital markets) and the broader financial markets as a whole and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast, or predict future events, and in any event, past performance is not necessarily



indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by Vista will prove correct, and actual events and circumstances may vary significantly.

Enhanced Scrutiny and Potential Regulation of the Private Equity Industry

The Funds' ability to achieve their investment objectives, as well as the ability of Vista to conduct its operations, is based on laws and regulations, which are subject to change through legislative, judicial, or administrative action and could be adversely affected by future legislative, judicial, or administrative action.

There has been significant discussion recently regarding enhanced governmental scrutiny and increased regulation of the private investment fund and financial services industries. In the aftermath of the global financial crisis in 2008, there have been unprecedented legislative and regulatory actions taken by numerous governments and their agencies. This enhanced oversight and regulation, and the need for additional rulemaking by various governmental bodies, has created uncertainty in the financial markets, including the private fund industry. Many of the regulators to which the Funds, the General Partners, Vista, or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against any of the Funds, the General Partners, Vista or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Funds, the General Partners, Vista or their respective affiliates' reputations, which may adversely affect the Funds' investment performance by hindering their ability to obtain favorable financing or consummate a potentially profitable investment. In light of the heightened regulatory environment in which Vista operates and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for Vista and its affiliates to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulations applicable to private investment funds generally or the Funds, the General Partners or Vista in particular may result in increased expenses associated with the Funds' activities and additional resources of Vista being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for investors in the Funds or have an adverse effect on the ability of the Funds to effectively achieve their investment objectives. Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of the General Partners and may furthermore place the Funds at a competitive disadvantage to the extent that Vista is required to disclose sensitive business information.

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

Impact of Government Regulation and Reform

The growth of the private equity industry, and the increasing size and reach of transactions, has prompted additional governmental and public attention to the industry and its practices. Portfolio companies will be subject to the antitrust and competition rules that apply in those countries or regions in which they do business. Failure to comply with those rules could expose the infringing company to sanctions or penalties including fines and civil damage actions. In some situations, private equity sponsors could be held jointly and severally liable for any sanctions or penalties imposed on a current or previously owned portfolio company for breach of the applicable antitrust rules. In recent years, there have been governmental investigations and lawsuits over whether certain club deals or consortium bids constituted an illegal attempt to collude and drive down the prices of acquisitions. Consortium bids are deals in which two or more unaffiliated entities either provide equity financing or divide the target business being acquired. These transactions can range in size from the large private equity club deals in which the target remains intact to much smaller deals in which a target is broken up and sold to multiple strategic buyers. Private equity firms that engage in potentially anti-competitive practices in an otherwise permissible and lawful club deal could be liable for monetary damages to former shareholders of target companies and be subject to U.S. Department of Justice (“DOJ”) investigation and civil and criminal prosecution resulting in fines. The Antitrust Division of the DOJ has previously issued information requests relating to private equity transactions among multiple fund sponsors, and in 2014, several fund sponsors settled claims that they had conspired to not bid against each other on eight large “take-private” buyouts that occurred prior to the global financial crisis. There can be no assurance that the Funds will not be subject to third-party litigation and/or investigations involving consortium bids.

In addition, numerous regulatory initiatives have been launched and significant legislation has been enacted as a result of the severe global market volatility and dislocations, financial institution failures and defaults and large financial frauds that occurred during the global financial crisis. U.S. regulators, including the Federal Reserve, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, have also recently warned banks against leveraged lending that load companies with large amounts of debt. Regulation generally, as well as regulation more specifically addressed to the private equity industry, including tax laws and regulation, whether in the U.S. or outside of it, could further increase the cost of acquiring, holding or divesting portfolio investments and the cost of operating the Funds, as well as harm the profitability of enterprises and interfere with the ability of the Funds to engage in certain transactions.

Certain segments within the software industry in which a Fund may invest are subject to laws and regulations that (i) are complex and may be ambiguous, with a lack of clear judicial or regulatory interpretive guidance; and (ii) are or may become highly regulated at both the federal and state levels in the United States and internationally, and subject to frequent regulatory change. While Vista intends for the Funds to invest in companies that seek to comply with applicable laws and regulations, 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, could have a material adverse impact on the profit potential of the Funds and on the operations and/or financial performance of the companies in which the Funds may invest.

SEC Examinations and Investigations

There can be no assurance that any Funds, a Fund’s General Partner, Vista or any of their affiliates will avoid regulatory examination and possibly enforcement actions in the future. Recent



SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including, among others, failure to update Form ADV to report delivery of audited financial statements and the undisclosed (or insufficient disclosure of) allocation of fees, costs and expenses, including those related to co-investment transactions (i.e., the allocation of deal expenses). Although Vista believes certain practices related to the foregoing and other general practices have been common historically among private fund advisers within the U.S. private funds industry, if the SEC or any other governmental authority, regulatory agency or similar body were to take issue with past or future practices of Vista, then Vista and/or such affiliates may be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction or the sanctions imposed against Vista were small in monetary amount, any Fund, its General Partner, Vista or their respective affiliates may be subject to adverse publicity relating to the investigation, proceeding or imposition of any such sanction. Any such investigations could be costly, distracting and/or time consuming for Vista management. There is also a risk that regulatory agencies in the United States and beyond will continue to adopt new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations.

Liquidity of Limited Partner Interests in the Funds

Interests in a Fund will not be readily marketable and are generally neither redeemable nor transferable without the prior written consent of the Fund's General Partner, which may be given or withheld in the General Partner's sole discretion.

Many of the investments will be highly illiquid and are likely to require lengthy periods to dispose of. Investments in a Fund require a long-term commitments with no certainty of return. There most likely will be little or no near-term cash flow available to Investors. Investment in the Funds may not result in rates of return that are equal to or better than the average rate of return on investments in other private investment funds or asset classes. The success or failure of any portfolio investment will rely in part on the success or failure of the investment decisions made by the investment management team.

Hedging Policies and Risks; Related Regulations

In connection with financing and/or holding certain portfolio investments, the Funds are permitted to employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange. The Funds are permitted to incur costs related to hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options, and other instruments. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency exchange rates may result in poorer overall performance by the Funds than if they had not entered into such hedging transactions.

In some cases, particularly OTC contexts, hedging arrangements will subject the Funds to the risk of a counterparty's inability or refusal to perform under a hedging contract, or potential loss of assets held by a counterparty, custodian, or intermediary in connection with such hedging. OTC contracts may expose the Funds to additional liquidity risks if such contracts cannot be adequately settled.



Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (“CFTC”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Financial Market Fluctuations

In recent years, various sectors of the U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility, and instability. The financial services industry generally is affected by general economic and market conditions, including interest rates, availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances. These financial market fluctuations, along with general fluctuations in interest rates have the tendency to reduce the availability of attractive investment opportunities for the Funds and may affect the value of the portfolio investments held by the Funds. Instability in the securities markets may also increase the risks inherent in the Funds’ portfolio investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Funds’ performance can be affected by deterioration in the capital markets and by market events, such as the downgrading of the credit rating of the United States in 2011 and the credit market dislocation and supply-chain issues experienced during the COVID-19 pandemic, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies, and Investors’ risk-free rate of return. In addition, governments from time to time intervene, directly and/or by regulation, in certain markets, particularly those in currencies and interest rate-related futures and options. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market, and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy, and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when Vista believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell, and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that Vista believes reflect the fair value of such investments. A widening of credit spreads, coupled with the deterioration of the subprime and debt markets and a rise in interest rates, has dramatically reduced demand for high-yield debt and senior bank debt, which, in turn, has led some investment banks and other lenders to be unwilling or less willing to finance such companies or to only offer committed financing to such companies on less favorable terms than had been prevailing in the recent past. Such an economic downturn could adversely affect the financial resources of corporate borrowers in which the Fund has invested and result in the inability of such borrowers to make principal and interest payments on outstanding debt when due. In the event of such defaults, the Funds may suffer a partial or total loss of capital invested in such companies, which could, in turn, have an adverse effect on the Funds’ returns. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted, and there can be no assurances that conditions



in the financial markets will not worsen or adversely affect one or more of a Fund's investments or portfolio companies. The ability of portfolio companies to refinance debt securities will depend on their ability to sell new securities in the public high-yield debt market or otherwise.

Monetary Policy and Governmental Intervention

As part of the response to COVID-19 and related economic disruptions, the U.S. Federal Reserve System (the "Federal Reserve") and certain global central banks, including the European Central Bank, have taken action to seek to stabilize markets and encourage economic growth, acted to hold interest rates to low rates. Such actions may have a significant effect on interest rates, inflation and on the U.S. and world economies and financial markets generally. As a result of these policies, interest rates remained at relatively low levels on a historical basis for much of 2021. However, in the wake of these policies, global economies began to experience significant inflation. In early 2022, in light of increasing evidence of inflation, the Federal Reserve began raising the federal funds rate through the remainder of 2022 and has indicated that it expects continued increases in interest rates. Other non-U.S. governments and central banks have also increased interest rates and are expected to continue to do so. The presence of inflation and the resulting policy changes, including rising interest rates, have resulted in periods of significant equity and credit market volatility and instability in the financial markets more broadly. These economic conditions, should they persist, may make it riskier and more difficult for Vista to execute on a Fund's investment strategy successfully, including finding attractive investments and executing on opportunities for realizing value from investments. Among other things, the ability of a Fund and its investments to borrow on attractive terms may be adversely affected. It is possible that investments with floating interest rate loans may become unable to meet their debt service obligations if their benchmark interest rates were to rise materially, or if these investments' lenders or debt holders generally are unwilling to extend or refinance their loans or debt securities on similarly attractive terms. Such events could also put pressure on asset and equities prices, which in turn could affect the performance of a Fund and the companies in which it invests, or limit the ability of portfolio companies to refinance debt or pay dividends.

Higher inflation and rising input costs will put pressure on a portfolio company's profit margins, particularly where pricing power is lacking. For example, heightened competition for workers, supply chain issues and rising energy and commodity prices have contributed to increasing wages and other inputs. Government efforts to combat inflation, including through interest rate increases, may erode consumer sentiment and result in a recession. If a portfolio company is unable to increase its revenue in times of higher inflation, its profitability will be adversely affected. Typically, as inflation rises, a portfolio company will earn more revenue but also will incur higher expenses; as inflation declines, a portfolio company might be unable to reduce expenses in line with any resulting reduction in revenue. In addition to inflation, possible stagflation resulting in slow economic growth, on the one hand, and increasing prices for goods and services sold, on the other hand, could also have an adverse effect on a Fund and its portfolio companies.

Trade Policy

Political leaders in the U.S. and certain European nations have in the past been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government, in particular, has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multilateral trade agreements and treaties with foreign countries. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum, and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including



China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Governments of other countries have introduced, or may in the future introduce, protectionist and other similar trade policies that could adversely affect free trade. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Funds and their investments.

Recently, there have been a number of developments and events that have increased tensions between the U.S. and China. In June 2020, the Standing Committee of the PRC National People's Congress issued the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region, which defines the duties and government bodies of Hong Kong for safeguarding China's national security. In July 2020, then-U.S. President Donald Trump signed the Hong Kong Autonomy Act ("HKAA") into law, authorizing the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong's autonomy. The HKAA further authorizes secondary sanctions, including the imposition of blocking sanctions, against foreign financial institutions that knowingly conduct a significant transaction with foreign persons sanctioned under this authority. Also, in July 2020, the U.S. ordered China to close its consulate in Houston, Texas, alleging that it was a hub of espionage and intellectual property theft. China retaliated by closing the U.S. consulate in Chengdu. In August 2020, then-U.S. President Trump issued Executive Orders establishing a framework for prohibiting transactions involving widely used Chinese-owned communications apps, WeChat and TikTok, and in November 2020 then-U.S. President Trump issued an Executive Order prohibiting certain investments in designated "Communist Chinese Military Companies." Furthermore, in its final months the Trump Administration added a number of Chinese entities to the U.S. Department of Commerce's Entity List, and the Biden Administration since has added additional Chinese entities to the Entity List. Moreover, in March 2021, a rule regarding U.S. Department of Commerce review of information and communications technology transactions with a nexus to designated "foreign adversaries" (including China) went into effect. These developments and any future actions by the U.S. or China arising from or contributing to the further deterioration of relations between the U.S. and China could result in significant disruption in regional and global markets and could have material adverse consequences on the investments of the Fund, including on portfolio companies that could be affected or targeted by any sanctions or other regulatory actions.

Additionally, in April 2021, President Biden issued an Executive Order authorizing blocking sanctions against certain Russian persons, including persons determined to be operating in the Russian technology or defense sectors; designated Russian government officials; designated persons engaging in certain activity on behalf of the Russian government (e.g., cyber hacking); designated Russian government entities and state-owned entities; and designated persons involved in disrupting energy supplies. Furthermore, under authority of the Executive Order, OFAC issued a directive, effective June 14, 2021, prohibiting U.S. financial institutions from participating in the primary market for bonds issued by the Central Bank of Russia, the Russian National Wealth Fund, or the Russian Ministry of Finance, or lending funds to such entities. These developments and any future actions by the U.S. or Russia arising from or contributing to the further deterioration of relations between the U.S. and Russia could result in significant disruption in regional and global markets and could have material adverse consequences on the investments of a Fund, including on portfolio companies that could be affected or targeted by any sanctions or other regulatory actions.

Registration under the U.S. Commodity Exchange Act

The Funds are authorized to trade in instruments regulated by the CFTC, and in such event the General Partner and/or its affiliates would plan to qualify for an applicable exemption from registration with the CFTC as a commodity pool operator (“CPO”) or as a “commodity trading adviser” (“CTA”) with respect to the Fund (and/or other Funds) pursuant to an exemption under CFTC Regulation 4.13, which would require filing a notice of exemption with the National Futures Association.

Registration with the CFTC as a CPO or as a CTA, or any change in the Funds’ operations necessary to maintain Vista’s or its affiliates’ ability to rely upon the exemptions from registration, could adversely affect the ability of a Fund to implement its investment program, conduct its operations, and/or achieve its objectives and subject the Funds to certain additional costs, expenses, and administrative burdens. Furthermore, any determination by Vista to cease or to limit investing in interests that may be treated as “commodity interests” in order to comply with the regulations of the CFTC may have a material adverse effect on a Fund’s ability to implement its investment objectives and to hedge risks associated with its operations. Vista, the General Partner and/or their affiliates reserve the right to pursue an alternative exemption from CPO or CTA registration, or else register with the CFTC.

United Kingdom Exit from the EU

The UK formally left the EU on January 31, 2020 (“Brexit”), and entered a transition period that ended on December 31, 2020. On December 30, 2020, the UK government and the EU Commission signed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period. However, this agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from Brexit may adversely affect both EU- and UK-based businesses, including Vista and Fund portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border

procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Alternative Investment Fund Managers Directive

The AIFMD, as implemented in each member state of the EEA and the UK, regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to Investors within the European Economic Area (“EEA,” which for purposes of the description herein will continue to include the United Kingdom). To the extent the Funds are actively marketed to Investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available, (i) the Funds and Vista will be subject to certain reporting, disclosure, and other compliance obligations under the AIFMD, which will result in the Funds incurring additional costs and expenses; (ii) the Funds and/or Vista or its affiliates may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in the Funds incurring additional costs and expenses or may otherwise affect the management and operation of the Funds; (iii) Vista will be required to make detailed information relating to the Funds and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Funds and Vista in relation to EEA portfolio companies, including, in some circumstances, the Funds’ ability to recapitalize, refinance, or potentially restructure an EEA portfolio company within the first two years of ownership, which may in turn affect operations of the Funds generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA Funds to Investors based in those jurisdictions, which may make it more difficult for the Funds to raise their targeted amounts of commitments.

There is a risk that Vista may breach the requirements imposed by the AIFMD as a result of the differing manner and way in which the AIFMD has been implemented in various EEA member states and the UK, respectively. Such a breach may result in a regulatory authority or court in that or another EEA member state or the UK requiring Vista to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against Vista or a Fund. This may result in a reduction in the overall amount of capital available to a Fund, which limits, in turn, the range of investment strategies and investments that a Fund is able to pursue and make or otherwise result in a loss to a Fund. Furthermore, there is a risk that the AIFMD will be interpreted differently by each EEA member state. This may have an adverse effect on the marketing and/or operation of a Fund and may result in additional costs, reducing the returns for investors.

In the future, it may be possible for non-EEA AIFMs to market an alternative investment fund (“AIF”) within the EEA pursuant to a pan-European marketing “passport,” instead of under national private placement regimes under Article 42 of the AIFMD. Access to this passport may be subject to the non-EEA AIFM complying with various additional requirements under the AIFMD, which may include one or more of the following: additional conduct of business and organizational requirements; rules relating to the remuneration of certain personnel; minimum regulatory capital requirements; restrictions on the use of leverage; additional disclosure and reporting requirements to both Investors and EEA home state regulators; independent valuation of an AIF’s assets; and the appointment of an independent depository. Certain EEA Member States have indicated that they will cease to operate national private placement regimes when, or shortly after, the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD in order to market to

professional investors in those jurisdictions. As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, Vista may not seek to market interests in the Funds in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in the Funds. Alternatively, if Vista sought to comply with the requirements to use the passport, this could have adverse effects, including, amongst other things, increasing the regulatory burden and costs of operating and managing the Funds and their investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting Vista's ability to recruit and retain these personnel.

As a non-EEA alternative investment fund manager, Vista is not required to comply with all of the requirements set out in the AIFMD. Accordingly, and subject to the below, investors in a Fund will not receive the full protections or benefits available under the AIFMD, which would otherwise be available to investors in an alternative investment fund managed by an alternative investment fund manager domiciled in or with its registered office in the EEA.

The European Commission recently published a proposed directive (known as "AIFMD II") to amend AIFMD as it applies in the EEA. AIFMD II (which is not expected to come into force before 2024 at the earliest) includes significant proposals in respect of, among other things, delegation, loan origination, liquidity risk management, data reporting, depositaries and public disclosure via the European Single Access Point. At this stage, Vista cannot rule out that the changes currently set out in AIFMD II will not change further or that new changes will be introduced (each of which could have a material impact on the Fund, its investments and/or other costs or expenses which investors are required to bear) as the proposals are considered by the European Parliament and the European Council as part of the EU legislative process.

Eurozone Risks

There are significant and persistent concerns regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the Euro and the suitability of the Euro to function as a single currency given the diverse economic and political circumstances in individual Eurozone countries. The risks and prevalent concerns about a credit crisis in Europe could have a detrimental impact on global economic recovery as well as on sovereign and non-sovereign debt in the Eurozone countries. There can be no assurance that the market disruptions in Europe will not spread to other countries, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilize affected countries and markets in Europe or elsewhere. These and other concerns could lead to the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences with respect to the Funds and the Investors could be determined by laws in effect at such time. These potential developments could negatively impact the ability of the Funds to consummate investments in Europe, the value of the Funds' investments in Europe and the general availability and cost of financing permitted Investments.

European Union Credit Servicers Directive

The European Commission has published a proposal for a directive on credit servicers, credit purchasers and the recovery of collateral. While the proposal is not final and subject to further negotiation as part of the usual European legislative process, it could impose additional requirements on both European and non-European participants in the European performing and nonperforming credit market. At this stage, no assurances can be given regarding the final scope or likely impact of the proposals on Vista or its ability to source European investments.



European Union Securitisation Regulation

To the extent the Funds are actively marketed to investors domiciled or having their registered office in the EEA, the EU Securitisation Regulation (EU) 2017/2402 (the “EU Securitisation Regulation”) may prohibit the Funds from acquiring securitization positions that do not comply with the EU’s risk retention criteria, where the securities/instruments of such securitizations were issued on or after January 1, 2019. The EU’s risk retention criteria for securitizations may not be aligned with the criteria for securitizations under the laws of non-EU jurisdictions, where such laws exist, including under US law. This could result in the Funds being prohibited from acquiring positions in certain securitizations or similar structures, whether originated in the EU or otherwise, notwithstanding that such transactions would otherwise be permitted in accordance with the Funds’ investment strategy/restrictions.

Outbreaks of Infectious or Contagious Diseases; COVID-19

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola, and COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity, all of which may result in significant losses to a Fund.

In an effort to contain such health emergencies, national, regional, and local governments, as well as private businesses and other organizations, have taken, or have the potential to 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 have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, and demand across categories of consumers and businesses, as well as in the credit and capital markets. Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of 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 Funds. The extent of the impact on the 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 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 Funds intend to pursue, all of which could adversely affect the 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 Funds, their portfolio companies, the General Partners and Vista 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.

Non-U.S. Investments

Funds are permitted to invest outside of the United States, its territories, and possessions. Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Funds' foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange-control regulations and restrictions on foreign investment and repatriation of capital (as such regulations and restrictions may be given effect during the entire term of a Fund), the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation or other changes in law; (iv) differences between U.S. and foreign market contract terms (e.g., foreign contracts do not typically include many of the closing conditions that are commonly found in U.S. contracts); (v) the application of complex U.S. and non-U.S. tax rules to cross-border investments, including the possible imposition of non-U.S. taxes on the Funds and/or the Investors with respect to the Funds' income, and possible non-U.S. tax return filing requirements for the Funds and/or the Investors; (vi) less developed corporate laws regarding fiduciary duties, the protection of Limited Partners and intellectual property; and (vii) foreign investment controls limiting or precluding foreign investment above certain ownership levels or in certain sectors of the country's economy.

Additionally, certain countries in which the Funds may invest have in the past and may in the future experience political and social instability that could adversely affect the Funds' investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic, and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain countries have exercised and continue to exercise substantial influence over many aspects of the private sector in such countries. The Funds generally do not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect returns. Exchange-control regulations, expropriations, confiscatory taxation, nationalization, restrictions on repatriation of capital, denunciation of foreign debt, political, economic or social instability, or other economic or political developments, could adversely affect the assets of the Funds held in a particular country.

Third-Party Infringement Claims

A Fund (or an affiliate thereof) or a portfolio company may, from time to time, receive notices from others claiming the Fund (or an affiliate thereof) or such portfolio company has infringed their



intellectual property rights. The number of these claims may grow because of constant technological change in the software industry, increased user-generated content, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents. Additionally, portfolio companies may use “open-source” software in their products or may use such software in the future. Such open-source software is generally licensed by its authors or other third parties under open-source licenses. Licensing authors or third parties may allege that a portfolio company has not complied with the conditions of one or more of these licenses. To resolve these and other intellectual property infringement claims, a Fund and/or portfolio companies may enter into royalty and licensing agreements on terms that are less favorable than currently available, stop selling or redesign affected products, or pay damages to satisfy indemnification commitments with customers. These outcomes may cause operating margins to decline. In addition to money damages, in some jurisdictions, plaintiffs can seek injunctive relief that may limit or prevent importing, marketing, and selling products that have infringing technologies.

Software Code Protection

The development and protection of source code is critical to many businesses in the technology industry. If an unauthorized disclosure of a significant portion of a portfolio company’s source code occurs, such portfolio company could potentially lose future trade secret protection for such source code. The loss of trade secret protection could make it easier for third parties to compete with such portfolio company’s products by copying their functionality, which could adversely affect such portfolio company’s revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (e.g., viruses, worms, and other malicious software programs that may attack a portfolio company’s products and services). Costs for remediating the unauthorized disclosure of source code and other cybersecurity breaches potentially include, among other things, increased protection costs, reputational damage and loss of market share, liability for stolen assets or information repairs to damaged systems. Remediation costs could also include incentives offered to maintain a portfolio company’s customers or other business partners in an effort to maintain the business and/or customer relationships following a security breach.

Origination Activities

The Funds intend to engage in the origination of debt financing. When engaging in such activities, the Funds will be subject to applicable laws in each jurisdiction in which such activities take place. Such laws are frequently highly complex and may include licensing requirements. The licensing processes can be lengthy and can be expected to subject an originator to increased regulatory oversight. In some instances, the process for obtaining a required license or exception certificate may require disclosure to regulators or to the public of information about the Funds, their direct or indirect investors, their investments, their business activities, their management or controlling persons or other matters. Such disclosures may provide competitors with information that allows them to benefit at the expense of the Funds, which could have a material adverse effect on the Funds. Failure, even if unintentional, to comply fully with applicable laws may result in sanctions, fines, or limitations on the ability of the Funds, Vista, or affiliates of the foregoing to do business in the relevant jurisdiction or to procure required licenses in other jurisdictions, all of which could have a material adverse effect on the Funds.



Usury Limitations

Interest charged on loans owned by the Funds may be subject to state usury laws imposing maximum interest rates and penalties for violation, including restitution of excess interest and unenforceability of debt.

Investment Regulatory Compliance

Certain investments made by the Funds may result in reporting and compliance obligations under the applicable regulations of the various jurisdictions in which the Funds make investments. The costs of compliance will be borne by the Funds. In addition, investments by the Funds are or may become subject to regulation by various agencies within or outside of the United States. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance all may have a material negative impact on the performance of the Funds. Vista cannot predict whether new legislation or regulation will be enacted by legislative bodies or governmental agencies, nor can it predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have a material negative impact on the Funds' investment performance.

Laws and Regulations Governing the Internet

The future success of many, if not all, portfolio companies will depend upon the continued use of the Internet as a primary medium for commerce, communication, and business services. Changes in laws and regulations, including recent developments in case law (including for example, the Supreme Court of the United States decision in *South Dakota v. Wayfair, Inc.*, 138 S. Ct. 2080 (2018)) related to the Internet or changes in the infrastructure of the Internet itself may diminish the demand for portfolio companies' products, including software solutions. U.S. federal, U.S. state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting the use of the Internet as a commercial medium. Portfolio companies may be required to modify their products or business models in compliance with or in response to such changes in laws and regulations. Also, domestic and foreign government bodies and agencies and private organizations may begin to impose taxes, fees, or other charges for accessing the Internet or for the commerce conducted via the Internet. Such changes and regimes could limit the growth of Internet-related commerce or communications generally, reducing demand for Internet-based products and business services.

Governmental Export and Import Controls

Companies in which the Funds invest are subject to U.S. and other jurisdictions' export controls for software and for incorporating encryption technology into any customer service platforms enabled through mobile applications. Such products incorporating encryption technology may only be exported with the required export authorizations, including by license, a license exception or other appropriate government authorizations, for example the filing of an encryption registration. Various countries also regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit the ability of companies to offer or distribute their products. Further, U.S. and other jurisdictions' export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by economic sanctions. Such governmental export and import controls could negatively impact Vista and the Funds by impairing the abilities of the companies in which the Funds invest to compete in international markets or subject them to liability for violations, including possible civil and criminal penalties and other repercussions.



Investments in Emerging Markets

The Fund may make investments in securities issued by portfolio companies that are located in emerging markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other, more established economies or markets. In addition to the risks outlined in the “Non-U.S. Investments” risk factor above, such additional risks may include, among others, (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including conflict or social unrest; (iii) increased likelihood of governmental involvement in, and control over, the economy; (iv) governmental decisions to cease support of economic reform programs or to impose central planning of the economy; (v) less extensive regulation of financial and other markets; (vi) greater regulatory uncertainty; (vii) greater volatility, less liquidity and smaller capitalization of markets; (viii) greater volatility in currency exchange rates; (ix) greater risk of inflation; (x) higher dependence on exports and the corresponding importance of international trade; (xi) greater controls on foreign investment and limitations on the realization of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (xii) less developed corporate laws, including regarding fiduciary duties of officers and directors and the protection of investors; (xiii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiv) maintenance of the Funds’ investments with non-U.S. brokers and securities depositories; (xv) risks associated with differing cultural expectations and norms regarding business practices; (xvi) less developed compliance culture; (xvii) differences in auditing and financial reporting standards, which may result in the unavailability of material information about portfolio companies; (xviii) less developed, reliable or independent judicial systems for the enforcement of contracts or claims; (xix) public health issues, including less developed public health infrastructure that is not able to adequately respond to public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19; and (xx) threats or incidents of corruption or fraud that may cause the Funds not to pursue certain investments, or to alter certain activities, liquidate certain portfolio investments or liquidate such investments prior to or after the time when the General Partner would otherwise choose to liquidate to achieve optimal returns, all of which may cause losses or have other negative impacts on the Funds or their portfolio investments.

Repatriation of investment income, assets, and the proceeds of sales by foreign investors, such as the Funds, may require governmental registration and/or approval in some emerging markets. The Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by the Funds or gains from the disposition of such financial instruments and other assets.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties, and issuers than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Many emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not proceed at the same pace as market developments, which could result in investment risks. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among tribal, local, regional, and national requirements or authorities. In certain cases, the laws and regulations governing investments in securities and/or assets may not exist or may be subject to inconsistent or arbitrary application or interpretation. Both the independence of judicial systems and their immunity from economic, political, or nationalistic influences remain largely untested in some countries. The



Funds may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts.

Investments in the TMT Sectors

The Funds concentrate their portfolio investments in the TMT sectors. Focusing on a single industry involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns. The TMT industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, changing consumer preferences, short product life cycles, services and/or improvements in existing products. The companies in which the Funds invest compete in this volatile environment. The value of stocks of technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs.

Competitors of the companies in which the Funds invest range in size from diversified global companies with significant research and development resources to small, specialized firms whose narrower product lines may let them be more effective in deploying technical, marketing, and/or financial resources. Barriers to entry in the software and technology industries are low and software products can be distributed broadly and quickly at relatively low cost. Many of the areas in which such companies participate evolve rapidly with changing and disruptive technologies, shifting user needs, and frequent introductions of new products and services.

There can be no assurance that products or services sold by such companies will not be rendered obsolete or adversely affected by competing products and services or that such companies will not be adversely affected by other challenges. Moreover, competition can result in significant downward pressure on pricing. Instability, fluctuation, or an overall decline within the software industry will likely not be balanced by investments in other industries not so affected. In the event that the software sector as a whole declines, investment returns may decrease. Additionally, stocks of technology companies and companies that rely heavily on technology, especially those of smaller, less seasoned companies, tend to be more volatile than the overall market.

Allocation of Investment Opportunities

Vista provides investment advisory services to several investment Funds and will, from time to time, be presented with investment opportunities that are suitable for one or more investment Funds. Vista, in these circumstances, will allocate such opportunities among Funds on a basis that it reasonably determines in good faith to be fair and reasonable to its clients under the circumstances over time, taking into account various factors. See Item 11 for a more detailed discussion.

Leveraged Investments

A Fund is permitted to make use of leverage by having a portfolio company, intermediate entity, or a below the Fund entity incur debt to finance a portion of its investment. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's

condition or industry, competitive pressures, an adverse economic environment, or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company. A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Vista or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation, or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage, or that leverage is used to make an investment that is later sold in part to co-investors, and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by capital commitments made by such Fund's Investors and such Investors' contributions may be required to be made directly to the lenders instead of such Fund.

Distressed Investments

A Fund is permitted to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing or expected to experience significant financial difficulties and material operating issues, including companies that may have been, are, or will become involved in bankruptcy proceedings or other restructuring, recapitalization, or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that Vista will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization, or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings, or a restructuring, recapitalization, or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

Public Company Holdings

The Funds' investment portfolios may contain securities issued by publicly held companies, which may be sensitive to movements in the stock market and trends in the overall economy. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such



companies, limitations on the ability of the relevant Fund to acquire or dispose of such securities at certain times (“timing restrictions”), increased likelihood of shareholder litigation and insider trading allegations against such companies’ executives and board members, including Vista’s principals, and/or other representatives of associates of the General Partner or the Funds, and increased costs associated with each of the aforementioned risks. Vista will from time to time restrict or otherwise limit a Fund’s ability to make an investment in a publicly traded company (including a SPAC) to avoid subjecting such Fund or other Funds to timing restrictions.

Portfolio Company Fraud

Of paramount concern in the Funds’ investments is the possibility of material misrepresentation or omission on the part of the portfolio company. Such inaccuracy or incompleteness may adversely affect (i) in the case of debt investments, the valuation of the collateral underlying the loans or enterprise value of the companies or may adversely affect the ability of the Funds to perfect or effectuate a lien on any collateral securing the loan and/or (ii) in the case of equity investments, the value of the equity securities. The Funds will rely upon the accuracy and completeness of representations made by portfolio companies to the extent reasonable when it makes its investment decisions but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Breach of Covenant

The Funds will generally seek to obtain structural, covenant and other contractual protections with respect to the terms of their investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to their investments will achieve their desired effect and potential investors should regard an investment in the Funds as being speculative and having a high degree of risk.

Growth-Equity Transactions

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

Minority Investments

A Fund is permitted to invest in minority positions of companies and in companies over which the Fund has no right to exert significant influence. In such cases, the Fund will be significantly reliant on the existing management teams and boards of directors of such companies, which may include representatives of other investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. Where a Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in

such company. When taking non-control positions, to the extent consistent with applicable regulations, a Fund will generally seek to obtain negative controls and veto rights on major decisions. However, even if a Fund has 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 Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals. As such, there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value or that there will be any minority rights or that such rights will provide sufficient protection of the relevant Fund's interests.

Minority Investment alongside Third Parties

A Fund reserves the right to invest alongside third-party investors, thereby acquiring a noncontrolling interest in companies. In such cases, a Fund will not have control over the investment and, therefore, may have limited ability to protect its position therein. This type of investment will involve risks not present in majority investments where a third party is not involved and such third parties may have economic or business interests or goals or tax or other considerations that differ from or are inconsistent with those of a Fund or its Limited Partners or may be in a position to take action contrary to a Fund's business, tax or other interests, and a Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. In addition, a Fund may in certain circumstances be liable for the actions of the third-party investors or co-investors that participate in the investment. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Need for Follow-on Investments

Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company and/or its subsidiaries or may have the opportunity to increase its investment in a successful 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 the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments 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). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party or co-investor invests in such portfolio company and, in circumstances where the follow-on investment is offered at a discount to market value, may result in a loss of value for the Fund. In addition, certain of the Funds' portfolio investments, particularly those in "platform" phase, may need additional capital to sustain their working capital needs and/or acquisition strategies. The amount of such additional capital needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Funds or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided by a Fund are not sufficient, or if the Fund is unable to provide additional capital, a portfolio company may have to raise further capital at a price unfavorable to existing investors, including the Fund. To the extent a portfolio company in which a Fund invested receives additional funding in subsequent financings and the Fund does not participate in such additional financing rounds, the interests of the Fund in such portfolio company would be diluted. In the

event that the Fund does not make a potential follow-on investment, such follow-on investment may be made by one or more co-investing funds or Companion Funds, whether or not such Fund, co-investing fund or Companion Fund has participated in the initial investment in such portfolio company.

Uncertain Economic, Social, and Political Environment

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

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

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

Climate Change

The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events,



the Funds may be vulnerable to the following: (i) risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; (ii) increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; (iii) decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; (iv) increased insurance claims and liabilities; (v) increase in energy costs impacting operational returns; (vi) changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; (vii) decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); (viii) incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and (ix) economic distributions arising from the foregoing.

Valuation

The Funds invest in securities which are illiquid, not traded on an exchange or in an established market or for which no value can be readily determined. The fair market value of such investments will be determined by Vista or its affiliates in accordance with the respective Fund's Governing Documents. Valuations are subject to multiple levels of review for approval, and ensuring that portfolio investments are fairly valued is an important focus of Vista. However, the valuation of certain illiquid assets is inherently subjective and subject to increased risk that the information utilized to value the asset or to create the price models may be inaccurate or subject to other error. Third-party pricing information may at times not be available regarding certain of a Fund's assets. Accordingly, the fair market value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between fair market value and the ultimate sales price could be material. With respect to the Funds, the exercise of discretion in valuation by Vista will give rise to conflicts of interest, as valuations (including, for instance, the determination of when an investment should be written down or written off) impact Vista's track record and the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance calculations. As a result, Vista or one of its affiliates could be incentivized to influence the valuation of investments. See Item 11 for a more detailed discussion.

Investment in Junior Securities

The securities in which the Funds will invest may be among the more junior in a portfolio company's capital structure and, thus, subject to greater risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

Options, Futures, Swaps, and Forwards

The Funds are permitted to invest in options, futures, swaps, and forwards. Investments in commodities, futures (including stock index futures), and options contracts involve risks, including, without limitation, leverage (e.g., margin is usually only 5% to 15% of the face value of the contract and exposure can be nearly unlimited) and credit risk vis-à-vis the contract counterparty. If the Funds invest in futures positions, these positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single



trading day, no trades may be executed at prices beyond the daily limits, which could prevent the Funds from promptly liquidating unfavorable positions and subject it to substantial losses.

The Funds are permitted to buy or sell (write) call options, and when a Fund 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 or tranche and amount of those as to which the call option applies. The Funds’ options transactions may be part of a hedging tactic, i.e., offsetting the risk involved in another securities position. 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 considering other positions or transactions into which the Funds may enter.

The Funds are permitted to engage in forward trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. Disruptions can occur in any market traded by the Funds due to unusually high trading volume, political intervention, or other factors. Market illiquidity or disruption could result in major losses to the Funds.

The Funds are permitted to be the “buyer” or the “seller” in a credit default contract, in which the buyer 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 Fund is a buyer and no credit event occurs, the Fund 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, a Fund receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligations. Credit default swaps involve greater risks than if the applicable Fund had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk.

Investments in Companies with Exposure to Virtual Currencies, Blockchain or Distributed Ledger Technology

The Funds reserve the right to invest a portion of their assets in certain portfolio companies that have exposure to virtual currencies, blockchain, distributed ledger technology or other peer-to-peer financial services (collectively, “Digital Assets”). Digital Assets are new technological innovations with a limited history and involve a high degree of business and financial risk that can result in substantial or total loss of investment. Digital Assets face a number of market, operational, legal, and regulatory risks distinct from other types of assets in which a Fund invests.

Portfolio companies with exposure to Digital Assets, such as virtual currencies, face a number of market and operational risks, including volatile prices, disparate prices across different virtual exchanges, risk of an illiquid market, valuation risk, custody risk, risk associated with “mining” or verifying virtual currency transactions, risk of not converting virtual currencies into fiat currencies, and risk that a virtual currency exchange fails or closes due to a security breach, a distributed denial of service attack, fraud or other failure. Virtual currencies may be particularly vulnerable to virtual currency network attacks, hacking or security breaches.



Virtual currencies also present a number of legal and regulatory risks as U.S. federal, state or foreign government bodies or agencies maintain different classifications for virtual currencies within their respective jurisdictions. For example, in the U.S., the SEC has found that certain virtual tokens offered in an initial coin offering are securities that require the offering to be registered or exempt from registration; the CFTC treats bitcoin and other virtual currencies as commodities, and the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") requires administrators or exchanges to register as a registered money services business. Furthermore, the global regulatory framework governing virtual currencies varies from country to country and continues to evolve. Some countries have taken an accommodating approach to the regulation of virtual currencies while others have banned their use.

Accordingly, the promulgation of any U.S. or international laws or rules, an adverse change in applicable legal or regulatory requirements, or an adverse review by an applicable judicial authority of any such law or regulation, could have a material adverse effect of the price of certain Digital Assets and on the operations and/or financial performance of portfolio companies with exposure to virtual currencies.

Portfolio companies with exposure to Digital Assets, such as blockchain and distributed ledger technology companies, may also face a number of market and operational risks, including the risk of rapid technological change, introduction of competing blockchain products or applications, risk of hacking or other cybersecurity breaches, and failure to implement or adopt such technology. Furthermore, blockchain technology presents a number of legal and regulatory risks as national or international regulation is rapidly changing and developing as the technology evolves. Although the prevalence and scope of applications of blockchain and similar distributed ledger technologies is growing, the technology is also nascent and may be vulnerable to certain risks such as those detailed above. Such risks could have a material adverse effect of the price of certain Digital Assets and on the operations and/or financial performance of portfolio companies with exposure to blockchain or distributed ledger technology.

Equity Fund and Perennial Fund Use of Leverage

While portfolio investments in leveraged companies offer the opportunity for capital appreciation, such portfolio investments also involve a higher degree of risk. The Equity Funds' and the Perennial Fund's portfolio investments will likely involve varying degrees of leverage, as a result of which recessions, operating problems, and other general business and economic risks (as well as particular risks associated with investing in software companies described above) are likely to have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates could significantly increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the applicable Fund is likely to suffer a partial or total loss of capital invested in the portfolio company. In the event that an Equity Fund or the Perennial Fund is unable to repay any credit facility borrowings from its cash flows, the Equity Fund or the Perennial Fund may, respectively, be required to dispose of investments to repay the lender(s). If the Equity Fund or the Perennial Fund is required to dispose of investments in order to repay lender(s) at an inopportune time or on an expedited basis, it may not realize as much value upon such disposition as it would receive in connection with an orderly disposition. An Equity Fund or the Perennial Fund may incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation, or reimbursement from or against such entity.



To the extent an Equity Fund or the Perennial Fund uses borrowed funds in advance or in lieu of capital contributions, or a portfolio company borrows funds directly through a Fund facility, the Limited Partners generally make correspondingly later capital contributions. As communicated to investors, Vista recently modified its subscription line policy to bring it more in line with market practice and utilize the subscription line for longer periods than before and minimize the number of capital calls to investors. As a result, a Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure Limited Partner cash flows) and generally make net IRR calculations higher than they otherwise would be without fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions. While the applicable Fund will bear the expense of borrowed funds, such borrowings can also increase the Carried Interests received by Vista by decreasing the amount of distributions from the applicable Fund that are required to be made to Limited Partners in satisfaction of any preferred return. Vista therefore has a conflict of interest in deciding whether to borrow funds because Vista could receive disproportionate benefits from such borrowings. Borrowing by a Fund will generally be secured by capital commitments made by the Limited Partners and/or the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the Limited Partners may be subordinated to fund-level borrowing.

A Fund may also grant security interests in other assets of the Fund, including portfolio companies. While the applicable Fund is subject to certain limits on borrowings set forth in the Governing Documents, portfolio companies, holding companies and/or special purpose entities formed by such Fund to hold investments may engage in borrowings and incur leverage, which will not count towards any caps on borrowings and guarantees contained in the Fund's Governing Documents. This is the case even if such borrowings or leverage by entities owned by the Fund engage in joint borrowings and/or are cross-collateralized with or among other such entities, such that multiple portfolio companies are pledged to and at risk with respect to a borrowing with respect to one single investment (even if the amounts involved are greater than the diversification limit set forth in the applicable Governing Documents). Additionally, Vista may use back leverage for certain portfolio investments. The use of back leverage potentially enhances the return profile of investments and, accordingly, of the applicable Fund overall but also increases the risk profile of such investments.

LIBOR and Other Reference Rates

To the extent that (i) a Fund's investments (whether made, acquired or otherwise) and/or (ii) a Fund's and/or its affiliates' credit arrangements or facilities, hedging activities, derivative or other structures, in each case, are subject to a variable interest rate that is based on (or calculated with reference to) the London Interbank Offered Rate ("LIBOR," and together with the Euro Interbank Offered Rate, the Canadian Dollar Offered Rate, the Secured Overnight Financing Rate ("SOFR"), the Sterling Overnight Index Average ("SONIA"), or any other reference rate, benchmark or index, collectively, the "Benchmark Rates"), a Fund may be subject to certain material risks, some of which are described below.

LIBOR is an estimate of the rate at which a sub-set of traditional banks can borrow money from other banks and, together with other interbank offered rates (together with LIBOR, each, an "IBOR"), is widely used as a reference for interest rates on credit and other financial instruments and agreements globally. It is expected that no United States Dollar-LIBOR tenors will be published after June 2023, although such tenors may cease being published, or cease to be representative of the market, before then. Regulators, central banks, governments and other market participants are working on replacement Benchmark Rates and the transition of existing



instruments and contracts to such new rate. Although it is not possible to identify a comprehensive set of potential risks at this time, the termination of LIBOR presents certain risks to the Funds including, among others, (i) increased volatility or illiquidity in markets; (ii) material delays in or reductions to financing options for actual or prospective portfolio companies; (iii) increased cost of borrowing to a Fund and/or to actual or prospective portfolio companies; (iv) reduction in the value of certain instruments or the effectiveness of related transactions such as hedges; (v) uncertainty under applicable documentation, or difficult and costly consent processes for any required amendments to applicable documentation for a Fund as a borrower or counterparty, or for any actual or prospective portfolio companies in such capacities; (vi) costs of modifications to the Funds' processes and systems (including IT), and/or costs of administrative services and operations, including monitoring of recommended conventions and Benchmark Rates, or any component of or adjustment to the foregoing; and (vii) costs of causing a Fund and/or, indirectly, causing one or more portfolio companies to incur expenses to manage the transition away from LIBOR. Any such effects of the transition away from LIBOR and the other IBORs, as well as other unforeseen effects, may result in expenses, difficulties, complications or delays for impacted markets and instruments, and could have a material adverse impact on a Fund and/or its investments. Additionally, to the extent swaps, hedges, and/or similar derivatives or instruments that use or reference, whether directly or indirectly, LIBOR or other similar Benchmark Rate, including swaps or contracts used to manage long-term interest rate risk related to assets and/or liabilities, are entered into, in addition to the potential need for renegotiation, there also may be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, in possible unexpected gains and/or losses. Some of these replacement rates may also be subject to compounding or adjustments that cause administrative challenges for the Funds and their portfolio companies, and their respective affiliates and service providers and could also impact the timing, calculation of, and size of certain performance fees, payments and/or distributions made by the Funds.

While Vista has prior experience in investing during this period of Benchmark Rate transition, there can be no assurance that Vista will be able to manage the Funds' business or performance in a profitable manner before, during or after such transition.

Uncertain Exit Strategies

Due to the illiquid nature of some of the positions which the Funds may acquire, Vista is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely 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.

Cybersecurity Risks

Cyberattacks 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. Vista, the Funds, the Funds' service providers and their 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. Furthermore, Vista, the Funds, the Funds' service providers and their 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, winter storms, and earthquakes.

Vista, the Funds, the Funds' portfolio companies, the Funds' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and the Limited Partners, despite efforts to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Funds and the Limited Partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Vista, the Funds, the Funds' portfolio companies, the Funds' service providers, counterparties, or the data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of Vista's systems to disclose sensitive information in order to gain access to Vista's data or that of the Limited Partners. The use of Internet- or cloud-based programs, technologies and data storage applications generally heighten these risks.

To the extent that a portfolio company, the Fund, Vista or one or more of their respective service providers is subject to cyberattack or other unauthorized access is gained to their systems by unauthorized third parties, substantial losses can occur in the form of stolen, lost, or corrupted (i) data or payment information; (ii) financial information; (iii) software, contact lists, or other databases; (iv) proprietary information or trade secrets; or (v) other items.

A successful penetration or circumvention of the security of Vista's systems by unauthorized third parties could result in the loss or theft of an Investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the General Partners, Vista, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, Vista may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing, and upgrading cybersecurity protections, including its administrative, technical, organizational, and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions, or other legal risks.

Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Although Vista 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, Vista, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Vista's, the General Partners', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to Limited Partners, and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). The use of Internet- or cloud-based programs, technologies and data storage applications generally



heightens these risks, and the risks of attack are expected to be heightened in remote work environments. In certain events, failure or deemed failure to address and mitigate cybersecurity risks could harm Vista's, the Funds' and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims, including civil litigation or regulatory or other action (from an individual or a governmental body) or otherwise affect their business and financial performance. In addition, Vista's, the Funds' and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates for incurred liabilities.

Privacy and Data Protection Law Compliance Risk

The adoption, interpretation and application of consumer protection, data protection, privacy and/or information security laws and regulations (collectively, "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 Vista, the General Partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to ensure compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their respective 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 the Fund's reputation and performance. As Privacy Laws are implemented, interpreted, and applied, compliance costs for Vista, the General Partners, the Funds and/or their portfolio companies are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose 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 Vista, the General Partners, the Funds and/or their portfolio companies.

Sharing, Utilization and Monetization of Portfolio Company Data and Information

Vista is permitted to enter into formal or informal arrangements with portfolio companies to facilitate the sharing of data and/or data analytics or may otherwise receive various kinds of portfolio company data and information from portfolio companies, including information relating to business operations, trends, budgets, customers, and other metrics. Subject to applicable legal, regulatory, fiduciary, and contractual requirements, these information-sharing arrangements are designed to allow Vista, the Funds, and their portfolio companies to better discern economic or other trends and developments. Vista believes that access to this information will benefit all of the Funds by providing insight into opportunities for operational improvements across portfolio companies and for Vista and its affiliates to utilize such information in connection with the investment management activities of the Funds. However, such information sharing involves conflicts of interest among the Funds and/or between the Funds and Vista. For example, data analytics based on inputs from one portfolio company could inform business decisions by other portfolio companies, or investment decisions by Vista and its affiliates, without the source of the data being directly compensated. Vista and its affiliates are permitted to (and may) utilize or monetize (including through licensing, selling, or developing into new products or services) such data and information in activities related or unrelated to the Fund or other Funds. See Item 11 – "Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading – Receipt



of Material Nonpublic Information” in this brochure. Such utilization or monetization could provide to Vista a material economic benefit, which would not be shared with the Funds or the Limited Partners or offset or otherwise reduce the Management Fee. As noted, the intellectual property, goodwill, and other assets (tangible or intangible) created by Vista are property of Vista and not the Funds, and the Funds have no right, title, or interest in any such assets. As a result, Vista will have an incentive to pursue investments based on the data or information that could be available or accessible as a result of the ownership of those investments or to utilize that data in a manner that benefits Vista and/or investments held by other Funds. In addition, the acquisition of confidential or material nonpublic information with respect to portfolio companies of the Fund or other Funds could limit or restrict the ability of the Funds to buy or sell particular securities.

Alternative Data Providers

Vista is permitted to use alternative data in its investment process. Alternative data includes datasets that have been culled from a variety of sources, such as Internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications, and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases (this data is sometimes referred to as “big data” or “alternative data”). Vista may apply this alternative data to better anticipate micro- and macroeconomic trends and otherwise to develop or improve investment themes. The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts, that are expected to be borne—in whole or in part—by the Funds. No assurance can be given that Vista will be successful in utilizing alternative data in its investment process. Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for Vista and the Funds in numerous jurisdictions. Vista cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to Vista or to the Funds.

Financial Institution Risk; Distress Events

An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “Financial Institution”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform, or otherwise defaults, on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Vista, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. 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, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distressed Events, there can be no assurance that any



intervention will occur, be successful or avoid the risks 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 Vista to manage the Funds and their investments, and on the ability of Vista, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable 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 the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of Vista or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that Vista will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that Vista will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or the negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

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

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by (i) Vista employees, (ii) borrower directors, officers, or employees, or (iii) service providers to the foregoing and/or their respective affiliates could undermine the due diligence or other efforts of the Funds and/or Vista and cause significant losses to the Funds. Misconduct may include entering into transactions without authorization, failing to comply with operational and risk procedures (including due diligence procedures), making misrepresentations regarding prospective Investments, improperly using or disclosing confidential or material nonpublic information, failing to comply with applicable laws or regulations and the concealing of any of the foregoing. Such misconduct may result in reputational damage, litigation, operational disruption, performance volatility and/or financial losses to the Funds. Vista has controls and procedures through which it seeks to minimize the risk that any such misconduct will occur; however, there can be no assurance that such misconduct will be identified or prevented.



Litigation and Investigations

In the ordinary course of its business, Vista, the Funds, or the Funds' portfolio companies may be subject to litigation, or the threat of litigation, from time to time. Certain Funds intend to make investments that include control of the management of a portfolio company, which creates additional risks of liability in case the customary limited liability characteristic of business operations is disregarded. Litigation proceedings or investigations associated with litigation or threatened litigation can be costly and time consuming, without certainty of the outcome or the scope of adverse effects of such outcomes. The outcome of such proceedings may materially adversely affect the value of the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partners' and/or Vista principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

National Security Investment Clearance

In 2020, the U.S. Department of the Treasury issued new regulations to strengthen and modernize the Committee on Foreign Investment in the United States ("CFIUS"). These new regulations expanded CFIUS' jurisdiction to cover noncontrolling, nonpassive investments in U.S. businesses that have a nexus to certain identified critical technologies, critical infrastructure, and sensitive personal data (called "TID U.S. Businesses"). Moreover, other countries are increasingly taking action to strengthen their national security review regimes and, as a result, certain investments in foreign countries may likewise be subject to similar foreign investment clearance and national security review regimes if the investments are perceived to implicate national security policy priorities.

Certain investments are expected to be subject to or require review and approval by CFIUS, such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund and/or co-investors) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments. In the event that CFIUS reviews one or more investments, there can be no assurances that Vista will be able to maintain or proceed with such portfolio investments on acceptable terms. Additionally, CFIUS may seek to impose limitations on one or more such portfolio investments that may prevent a Fund from maintaining or pursuing investment opportunities that the Fund otherwise would have maintained or pursued, which could adversely affect the performance of the Fund's investment in such portfolio investments and, thus, the performance of Vista.

CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty, and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. Limited Partners comprise a substantial percentage of a Fund. While Vista has taken steps to ensure that its investments will not be subject to CFIUS' jurisdiction and regularly consults with outside specialist counsel on CFIUS matters, certain of the Limited Partners of the Funds are expected to be non-U.S. investors and, in the aggregate, may comprise a substantial portion of a Fund's aggregate commitments, which may increase the risks of such limitations or restrictions on investments being imposed. There can be no assurance that the Fund will be able to proceed with or maintain any investment, or to avoid losses relating thereto.



Moreover, similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators as other countries continue to strengthen their own national security investment clearance regimes, and Vista's investments outside of the U.S. may also face delays, limitations, or restrictions as a result of compliance with these legal regimes.

Legislation to reform CFIUS (the Foreign Investment Risk Review Modernization Act ("FIRRMA")) was signed into law by the U.S. President on August 13, 2018, and regulations to implement FIRRMA became effective in February 2020. Among other things, FIRRMA expands the scope of CFIUS's jurisdiction to cover more types of transactions and empowers CFIUS to scrutinize more closely investments in U.S. "sensitive personal data," "critical infrastructure" and "critical technology" companies (e.g., companies that develop or produce certain encryption software), including investments involving foreign Limited Partners or co-investors that may be deemed "non-passive." Moreover, certain transactions involving foreign persons and U.S. "critical technology" companies, as well as sovereign investments in "critical technology," infrastructure or data businesses, can be subject to mandatory pre-closing notification requirements, and monetary penalties may attach to a party's failure to file such a notification. Certain Investors in the Funds are expected to be non-U.S. investors and, in the aggregate, could comprise a substantial portion of certain Funds aggregate commitments, which may increase the risks of such restrictions, limitations, and notification obligations being imposed. In addition, CFIUS is actively pursuing transactions that were not notified to it and may ask questions regarding, or impose restrictions or mitigation on, transactions post-closing. Moreover, other countries continue to strengthen their own national security investment clearance regimes (including with respect to technology, infrastructure, and data-related transactions), and the Funds' investments outside of the United States may also face delays, limitations, or restrictions as a result of notifications made under and/or compliance with these legal regimes. Heightened scrutiny of foreign direct investment worldwide may make it more difficult for the Funds to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio company.

Environmental, Social, and Governance Matters

Vista maintains an ESG policy 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. While ESG considerations are only a part of the many factors Vista will consider in making an investment, there is no guarantee that Vista will successfully implement its ESG policy while enhancing long-term shareholder value and achieving financial returns. To the extent that Vista engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of Vista will depend on Vista's skill in properly identifying and analyzing material ESG and other factors, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on Vista's view of certain ESG-related and other factors; this carries the risk that Vista Funds may underperform compared to funds that do not take ESG-related factors into account. Consideration of ESG factors may affect Vista's exposure to certain companies, sectors, regions, countries, or types of investments, which could negatively impact Vista's performance as compared to other market participant who do not take into account or may view differently such ESG factors. Applying ESG factors to investment decisions can be qualitative and subjective by nature, and there is no guarantee that the criteria utilized or considered by Vista or any judgment exercised

by Vista will reflect the beliefs or values of any particular investor. Additionally, ESG factors are only some of the many factors the General Partner may consider in making an investment, and there is no guarantee that the General Partner will make investments in companies that create positive ESG outcomes or that consideration of ESG factors will enhance long-term value and financial returns for the Fund. For avoidance of doubt, however, Vista does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors. In evaluating a company, Vista is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate, or unavailable, which could cause Vista to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue, as well as the interpretations of their scope and materiality, and are evolving rapidly, and thus Vista's approach may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. A company's ESG-related practices or Vista's assessment of such practices may evolve and change over time.

Vista does not intend to independently verify certain of the ESG information reported by the portfolio companies. Further, Vista may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives (either with respect to certain clients or in general) based on cost, timing or other considerations determined in their sole discretion. It is also possible that market dynamics or other factors will make it impractical, inadvisable, or impossible for a General Partner to adhere to all elements of the Fund's investment strategy, including with respect to ESG risk and opportunity management and impact, whether with respect to one or more individual investments or to the Fund's portfolio generally. Vista is currently a signatory to the United Nations' Principles for Responsible Investment; however, there is no guarantee that Vista will remain a signatory of this initiative or other similar industry frameworks. To the extent that Vista provides material ESG reports to investors, such reports will be based on Vista's, the relevant General Partner's or applicable portfolio entity management team's sole and subjective determination of whether a material ESG issue has occurred in respect of an investment.

Finally, there is also growing regulatory interest, particularly in the U.S., UK, and in the EU, in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. Vista's ESG practices could become subject to additional regulation in the future (including pursuant to the various legislative initiatives stemming from the action plan on sustainable finance adopted by the EU Commission in March 2018 such as the Sustainable Finance Disclosure Regulation and the Taxonomy Regulation), and Vista cannot guarantee that investments will be able to comply with future reporting frameworks, regulatory requirements, or best practices, or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

European Sustainability-Related Disclosure and Reporting Frameworks

On June 22, 2020, the Official Journal of the EU published a classification system that establishes a list of environmentally sustainable economic activities and sets out four overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable (Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, "Taxonomy Regulation"). The Taxonomy Regulation, amongst other things, introduces mandatory disclosure and reporting requirements, and supplements the framework set out in the Sustainable Financial Disclosure Regulation (Regulation (EU) 2019/2088 of the

European Parliament and of the Council of November 27, 2019 on sustainability-related disclosures in the financial services sector, “SFDR”), which requires certain disclosures in relation to whether, and if so, how sustainability risks and negative impacts on environmental and social factors are taken into account in the investment process. Financial products that have a sustainable investment objective or which promote environmental or social characteristics have an obligation to disclose such an objective or characteristics in pre-contractual disclosures and report on an ongoing basis their performance in achieving those commitments, among other things. The disclosure requirements in the SFDR are supplemented by Commission Delegated Regulation (EU) 2022/1288 of April 6, 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards (“RTS”) which specify the details of the content and presentation of the information in relation to the principle of ‘do no significant harm,’ the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports.

On 2 August 2021, a number of delegated regulations that are part of the Action Plan were published in the Official Journal of the EU. Commission Delegated Regulation (EU) 231/2013 (“Level 2 AIFMD”) was amended to require sustainability risks to be integrated into the investment decision-making and risk management processes of EU AIFMs. The amendments apply from 1 August 2022.

Compliance with frameworks of this nature may create an additional compliance burden and increased legal, compliance, governance, reporting and other costs to funds, fund managers and/or portfolio companies because of the need to collect certain information to meet the disclosure requirements. In addition, where there are uncertainties regarding the operation of the framework, a lack of official, conflicting or inconsistent regulatory guidance, a lack of established market practice and/or data gaps or methodological challenges affecting the ability to collect relevant data, funds and/or fund managers may be required to engage third-party advisors and/or service providers to fulfil the requirements, thereby exacerbating any increase in compliance burden and costs. Compliance with requirements of this nature also increase risks relating to financial supervision and enforcement action. To the extent that any applicable jurisdictions enact similar laws and/or frameworks, there is a risk that the Fund may not be able to maintain alignment of a particular investment with such frameworks, and/or may be subject to additional compliance burdens and costs, which might adversely affect the investment returns of the Fund.

Force Majeure Events

Certain force majeure events (meaning those events beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war, terrorism, and labor strikes) may adversely affect the ability of Vista, its affiliates, the Funds, the issuers of investments, counterparties of the foregoing or other persons or entities to perform their respective obligations. The cost of repairing or replacing assets damaged by a force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may cause a permanent loss of business, substantial litigation, or significant penalties for regulatory or contractual noncompliance, though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. The occurrence of a force majeure event may, directly or indirectly, have a material adverse effect on the Funds and/or any of their investments.



Counterparty Risks

The Funds depend on the services of custodians, counterparties, administrators, and other agents to carry out certain transactions on behalf of the Funds. The terms of these contracts are often customized and complex, and many of these arrangements occur in markets or relate to products that are not subject to regulatory oversight. The Funds are subject to the risk that the counterparty to one or more of these contracts defaults, either voluntarily or involuntarily, on its performance under the contract. Any such default may occur suddenly and without notice to Vista. Moreover, if a counterparty defaults, Vista may be unable to take action to cover the Funds' exposure, either because it lacks contractual recourse or because market conditions make it difficult to take effective action. This inability could occur in times of market stress, which is when defaults are most likely to occur.

In the event of the insolvency of a custodian, counterparty or any other party that is holding assets of the Funds as collateral, the Funds might not be able to recover equivalent assets in full as they will rank among the custodian's or counterparty's unsecured creditors in relation to the assets held as collateral. In addition, the Funds' cash held with a custodian or counterparty generally will not be segregated from the custodian's or counterparty's own cash, and the Funds may therefore rank as an unsecured creditor in relation thereto.

The counterparty risks that the Funds face have increased in complexity and magnitude in recent years. For example, consolidation and elimination of counterparties has increased the concentration of counterparty risk and decreased the universe of potential counterparties, and the Funds are generally not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. In addition, counterparties generally react to market volatility by tightening their underwriting standards and increasing their margin requirements for all categories of financing, which could result in a decrease in the overall amount of leverage available and increasing the costs of borrowing to the Funds.

Adequacy and Availability of Insurance

While the Funds may seek to make investments where insurance and other risk management products are, to the extent available on commercially reasonable terms, utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, such coverage may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and any insurance proceeds from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or any necessary replacement or rehabilitation, as applicable. Certain losses of a catastrophic nature (i.e., those caused by force majeure events) may be either uninsurable or insurable at such high rates as to adversely impact the Funds' profitability if such insurance were obtained.

Obligations on Disposition

Some of the Funds' investments may require a Fund to make representations about the business and financial affairs of the obligor typical of those made in connection with the sale of a business. The Funds also may be required to indemnify the purchasers of such investment if any such representations are inaccurate or with respect to certain potential liabilities or other liabilities. The obligations of the Funds would be payable from the assets of the Funds, including the unfunded commitments of the partners. If the assets of the Funds are insufficient to pay such obligations,



Investors may be required to return distributions previously made to them to satisfy such obligations.

Deployment of Capital

In light of the need to be able to deploy capital quickly to capitalize on potential investment opportunities or to establish reserves for anticipated debts, liabilities, or obligations, including liquidity needs, cash may be held by the Funds in money market investments pending deployment into other investments, the amount of which may at times be significant. While the duration of any such holding period is expected to be relatively short, in the event the Funds are unable to find suitable investments, such money market investments may be held for longer periods, which would be dilutive to overall investment returns. It is not anticipated that the temporary investment of such cash into money market investments will generate significant interest, and Limited Partners should understand that such low interest payments on the temporarily invested cash may adversely affect the overall returns of the Funds.

Tax Reform Risks

On December 22, 2017, P.L. 115-97 (the “Tax Act”), originally introduced in Congress as the U.S. Tax Cuts and Jobs Act, was enacted. There continues to be uncertainty regarding certain aspects of this law and its application, and the current administration has announced that it is contemplating further legislation that may result in significant changes to the Internal Revenue Code of 1986, as amended. In addition, under current law, capital gains in respect of a general partner’s right to Carried Interest will be subject to a three-year “holding period” in order to be classified as “long-term capital gains,” while the corresponding holding period requirement with respect to capital gains that Fund investors are allocated is one year. This Carried Interest holding period requirement could affect investment decisions, including the timing and structure of dispositions and other realization events, and it could adversely impact returns for Investors. For example, the holding period requirement may incentivize the General Partner to cause a Fund to hold an investment for longer than three years in order for the General Partner to obtain a preferential tax rate on Carried Interest, even if there are attractive realization opportunities prior to that time. Further, there are currently administrative and legislative proposals to further change the tax treatment of “carried interest” in ways that may be adverse to partners in the General Partner. The General Partner and Vista may take these potential adverse consequences into account in their management and operation of the Funds and in addressing these adverse consequences, the interests of the General Partner and Vista on the one hand, may diverge from the interests of the Investors, on the other hand.

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 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 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 Fund, its General Partner, or Vista 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 Fund. This creates potential incentives for Vista to cause a 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.

Equity Strategy Risks

Investments in Privately Held Companies

The Equity Funds' investment portfolio generally will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Investments in Restructurings

The Equity Funds are permitted to make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Equity Funds to certain additional potential liabilities that may exceed the value of the original investments. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Equity Funds and distribution by the Equity Funds to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate, or disenfranchise particular claims.

Bridge Financings

From time to time, the Equity Funds will provide interim financing, including in connection with any co-investment opportunities allocated to Limited Partners or third-party co-investors, to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always within the Equity Fund's control, such long-term securities may not be issued, or such co-investment may not occur, and such bridge loans may remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the unsecured position taken by the applicable Equity Fund.

Contingent Liabilities upon Disposition

In connection with the disposition of a portfolio investment, the Equity Funds and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. The Equity Funds may also be required to indemnify the purchasers of such portfolio investment or



underwriters to the extent that any such representations, warranties or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which shall be borne by the applicable Equity Fund. In that regard, Limited Partners may be required to return amounts distributed to them to fund the applicable Equity Fund obligations, including indemnity obligations, subject to certain limitations under the relevant Governing Documents.

Credit Risks of Investments in Debt Instruments

The Equity Funds are permitted to, from time to time, also invest in debt securities, which are subject to credit and interest rate risks. “Credit risk” refers to the likelihood that an obligor will default on the payment of principal and/or interest on a debt investment. Financial strength and solvency of an obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt investment may affect its credit risk. Credit risk may change over the life of an investment. Debt investments that are rated by rating agencies (potentially including any investments acquired by the Funds through syndicated debt markets) are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such investment. “Interest rate risk” refers to the risks associated with market changes in interest rates. Adjustable-rate investments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in investments with uncertain payment or prepayment schedules. To the extent an Equity Fund makes a debt investment, the risks generally applicable to a debt investment will apply to such Equity Fund. For additional details, please refer to “*Credit Strategy Risks*” below.

Perennial Strategy Risks

Risk in Effecting Operating Improvements

In some cases, the success of the Perennial Fund’s investment strategy will depend, in part, on the ability of Vista to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational improvements may divert the attention of key personnel and disrupt normal business. There can be no assurance that Vista will be able to successfully identify and implement such improvements.

Illiquid and Long-Term Investments

Many of the portfolio investments of the Perennial Funds will be highly illiquid and there can be no assurance that the Perennial Fund will be able to realize returns on such portfolio investments in a timely manner or at all. Consequently, dispositions of such portfolio investments may require a lengthy time period or may result in distributions in kind to the Limited Partners of the Perennial Fund. Although portfolio investments by the Perennial Fund are expected to generate current income, the return of capital and the realization of gains to the Perennial Fund and the partners, if any, from a portfolio investment may occur only upon the partial or complete dissolution of such investment or the occurrence, if any, of a liquidity event. While a portfolio investment may be sold at any time, it is not generally expected that this will occur for a number of years after such portfolio investment is made or at all. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The Perennial Fund will generally acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act. In some



cases, the Perennial Fund may be prohibited by contract from selling certain securities for a period of time.

Even where the Perennial Fund holds freely tradable publicly traded securities, the Perennial Fund's position may represent a significant portion of the outstanding public float of a particular company, creating a degree of illiquidity when the Perennial Fund wishes to dispose of or reduce its position in such company by selling shares into the market. Furthermore, the expenses of operating the Perennial Fund's may exceed its income, thereby requiring that the difference be paid from the Perennial Fund's capital, including, without limitation, unfunded commitments. The Perennial Fund's indefinite term and perpetual structure may result in the Perennial Fund making longer-term investments than might be made by a fund with a shorter duration.

Investments in Privately Held Companies

The Perennial Fund's investment portfolio generally will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Investments in Restructurings

The Perennial Fund is permitted to make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Perennial Fund to certain additional potential liabilities that may exceed the value of the original investments. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Perennial Fund and distribution by the Perennial Fund to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate, or disenfranchise particular claims.

Bridge Financings

From time to time, the Perennial Fund is permitted to provide interim financing, including in connection with any co-investment opportunities allocated to Limited Partners or third-party co-investors, to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always within the Perennial Fund's control, such long-term securities may not be issued, or such co-investment may not occur, and such bridge loans may remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the unsecured position taken by the Perennial Fund.



Contingent Liabilities upon Disposition

In connection with the disposition of a portfolio investment, the Perennial Fund and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. The Perennial Fund may also be required to indemnify the purchasers of such portfolio investment or underwriters to the extent that any such representations, warranties or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which shall be borne by the Perennial Fund.

Credit Strategy Risks

Investing in Private Small, Fast-Growing Companies

Investment in private, growth-stage companies involves a number of significant risks. In some cases, the debt in which the Credit Funds may invest in will not be initially rated by any rating agency; however, Vista believes that if such investments were rated, they would be below investment grade. Securities rated below investment grade are considered "high risk" and speculative in nature compared to debt instruments that are rated above investment grade. Compared to larger publicly owned companies, these companies may be in a weaker financial position and may experience wider variations in their operating results, which may make them more vulnerable to economic downturns. Typically, these companies need more capital to compete; however, their access to capital is limited and their cost of capital is often higher than that of their competitors. The Credit Funds' portfolio companies will face intense competition from larger companies with greater financial, technical, and marketing resources, and their success typically depends on the managerial talents and efforts of an individual or a small group of persons. Therefore, the loss of any of its key employees could affect a portfolio company's ability to compete effectively and harm its financial condition. Further, some of these companies conduct business in regulated industries that are susceptible to regulatory changes. These factors could impair the cash flow of our portfolio companies and result in other events, such as bankruptcy. These events could limit a portfolio company's ability to repay its obligations to the Credit Funds, which may have an adverse effect on the return on, or the recovery of, the Credit Funds' investment in these businesses. Deterioration in a portfolio company's financial condition and prospects may be accompanied by deterioration in the value of the Credit Funds' investment in such portfolio company.

Some of these private, small companies cannot obtain financing from public capital markets or from traditional credit sources, such as commercial banks. Accordingly, loans made to these types of companies pose a higher default risk than loans made to companies that have access to traditional credit sources. In addition, investing in small, fast-growing, private companies involves a number of significant risks, including the following:

- These companies may have limited financial resources and may be unable to meet their obligations under their debt securities that the Credit Funds hold. This failure to meet obligations may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Credit Funds realizing any guarantees they may have obtained in connection with such investment;

- They typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions, market conditions, and general economic downturns;
- They often face intense competition, often from established companies with much greater financial, manufacturing, and technical resources, more marketing and service capabilities, and a greater number of qualified personnel;
- They are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on such portfolio company and, in turn, on the Credit Funds;
- To the extent there is ever a public market for the securities of these companies (which is rare), they may be subject to abrupt and erratic market price movements;
- They generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion, or maintain their competitive position; and
- They may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding debt upon maturity.

Growth-Stage Companies; Reliance on Venture Capital

The Credit Funds may invest in growth-stage companies. Overcapacity in high-growth industries, together with cyclical economic downturns, may result in substantial decreases in the value of many growth-stage companies and/or their ability to meet their current and projected financial performance to service their debt. Furthermore, growth-stage companies also typically rely on venture capital and private equity investors, or initial public offerings, or sales for additional capital.

Venture capital firms in turn rely on their limited partners to pay in capital over time in order to fund their ongoing and future investment activities. To the extent that venture capital firms' limited partners are unable or choose not to fulfill their ongoing funding obligations, the venture capital firms may be unable to continue operationally and/or financially supporting the ongoing operations of the Credit Funds' portfolio companies which could materially and adversely impact the Credit Funds' financing arrangement with such portfolio companies.

These companies, their industries, their products and customer demand and the outlook and competitive landscape for their industries are all subject to change which could adversely impact their ability to execute their business plans and generate cash flow or raise additional capital that would serve as the basis for repayment of the Credit Funds' loans. Therefore, the Credit Funds' investments in growth-stage companies may face considerably more risk of loss.

Additionally, growth-stage companies will often need additional equity financing or debt to satisfy their continuing working capital and other cash requirements and, in most instances, to service the interest and principal payments on the Credit Funds' investment. Each round of venture financing is typically intended to provide a company with only enough capital to reach the next stage of development. The Credit Funds cannot predict the circumstances or market conditions under which their portfolio companies will seek additional capital. It is possible that one or more



of the Credit Funds' portfolio companies will not be able to raise additional financing or may be able to do so only at a price or on terms unfavorable to the Credit Funds, either of which would negatively impact the Credit Funds' investment returns. Some of these companies may be unable to obtain sufficient financing from private investors, public capital markets or traditional lenders. This may have a significant negative impact if the companies are unable to obtain certain federal, state, or foreign agency approval for their products or the marketing thereof, of if regulatory review processes extend longer than anticipated, and the companies need continued funding for their operations during these times. Accordingly, financing these types of companies may entail a higher risk of loss than would financing companies that are able to utilize traditional credit sources more easily.

Investments in Private, Middle-Market Companies

Investment in private, middle-market companies involves a number of significant risks. Generally, little public information exists about these companies, and the Credit Funds will rely on Vista's ability to obtain adequate information to evaluate the potential returns from investing in these companies. If Vista is unable to uncover all material information about these companies, Vista may not make a fully informed investment decision, and the Credit Funds may lose money on their investments. Middle-market companies may have limited financial resources and may be unable to meet their obligations under any loans in such companies that the Credit Funds hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Credit Funds realizing the proceeds of any collateral or any guarantees Vista may have obtained in connection with the Credit Funds' investment. In addition, such companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Additionally, middle-market companies are more likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation, or termination of one or more of these persons could have a material adverse impact on one or more of the obligors of Investments that the Credit Funds hold and, in turn, on the Credit Funds. Middle-market companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. Investment in middle-market companies therefore involves a high degree of business and financial risk, which can result in substantial losses, and accordingly, should be considered speculative.

Capital Structure Leverage

The Credit Funds' investments are expected to include businesses whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Leverage often imposes restrictive financial and operating covenants on a business, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the condition of a company or its industry.

Failure to Syndicate or Participate

The Credit Funds may originate loans or other investments with the intention of selling a portion of the Credit Funds' interests in such loans or other investments to co-investors and/or third parties, some or all of which may be affiliates of Vista or investment vehicles managed by Vista or its affiliates. In the event that the Credit Funds do not or are unable to syndicate or sell down



an investment or investments, the Credit Funds may be forced to retain larger amounts of such investment or investments than originally intended. In such event, the Credit Funds' investment portfolio could become significantly concentrated in a particular investment or investments.

Bank Debt Ratings

The ratings that may be assigned by various credit rating agencies to loans or other debt instruments that may be acquired by the Credit Funds reflect only the views of those agencies. Explanations of the significance of ratings should be obtained from such credit rating agencies. No assurance can be given that ratings assigned will not be withdrawn or revised downward if, in the view of such credit rating agency, circumstances so warrant.

Prepayment Risk

Loans are generally prepayable in whole or in part at any time at the option of the obligor at par plus accrued and unpaid interest thereon, and occasionally plus a prepayment premium. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. When credit market conditions become more attractive to obligors, the rate of prepayment of the Funds' assets would be expected to increase as obligors refinance to take advantage of such improved conditions, which may negatively impact the Funds.

Volatility of Leveraged Loan and Credit Markets

Significant risks for the Credit Funds and their Investors exist as a result of the potential for disruptions in the credit markets. These risks include, among others, (i) the likelihood that a Fund may find it more difficult to sell any of its investments in the secondary market, thus rendering it more difficult to dispose of such investments if and when it desires to sell them; (ii) the possibility that the price at which investments can be sold by a Fund will have deteriorated from the cost of such investment; (iii) the possibility of accelerated prepayments of attractively priced (i.e., the all-in yield), structured or performing investments as a result of increased liquidity and competition in the middle-market private debt asset class driven by economic conditions, relative performance, monetary policy or other governmental action or other factors; and (iv) the impact of adverse economic conditions on the obligors of a Fund's investments. These risks may affect the returns, if any, to the Investors or the ability of the Funds to return any or all of the Investors' capital contributions.

Disruptions in the credit markets may reduce opportunities for the Credit Funds to make investments and may also heighten refinancing risk in respect of maturing Credit Fund investments. Any events that cause a deterioration in loan performance generally may affect the returns, if any, to the Limited Partners or the ability of the Credit Funds to return any or all of the relevant Limited Partners' capital contributions.

Negative macroeconomic conditions may adversely affect the credit rating (if any), performance and the realization value of Credit Fund investments. It is possible that Credit Fund assets will experience higher default rates and lower recovery rates than anticipated and that performance will be materially worse than expected.

The bankruptcy or insolvency of a major financial institution may have a material adverse effect on the Funds, particularly if such financial institution is the administrative agent of a Fund



investment or is otherwise the counterparty to a contract with a Fund (including a hedging-related contract). In addition, the bankruptcy, insolvency, or financial distress of one or more additional financial institutions, or one or more sovereigns, could trigger additional disruptions in the global credit markets or the global economy which could have a material adverse effect on the Funds and their investments.

Collateral Obligation Performance May Decline

Downturns in economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. Though levels of defaults and delinquencies have decreased from peak levels, there is a material possibility that economic activity will be volatile or will slow, and some obligors may be significantly and negatively impacted by negative economic trends. A decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may cause a deterioration in loan performance generally and defaults of collateral obligations to certain Credit Funds. There is no way to determine whether such trends in the credit markets will continue, improve or worsen in the future.

Inflation and Deflation

Inflation risk is the risk that the value of certain investments or income thereon will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Credit Funds' investments can decline. Deflation risk is the risk that prices decline over time—the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of companies in which the Credit Funds invest and may make defaults more likely, which may result in a decline in the value of the Credit Funds' investments.

Many world governments, as well as inter-governmental institutions, have undertaken and in some cases may still be undertaking various and in some cases unprecedented forms of fiscal stimulus, including setting interest rates that are (and have been for extended periods) at historic lows. It cannot be predicted with certainty when, or how, these policies will change, but actions by the U.S. Federal Reserve and other central bankers may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the Credit Funds' investments. In particular, as of the date hereof, interest rates have recently increased significantly in the U.S. and are expected to experience continued increases in the near and medium term. Such stimuli, unless successfully managed and scaled back and wound down at the appropriate time and in the appropriate amounts, together with the recent passing of U.S. legislation calling for historically significant amounts of government spending, run a severe risk of being inflationary. In particular, as of the date hereof, the U.S. has recently experienced significant levels of inflation that have not been seen in several decades, and the inflation trend is expected to continue at least in the near and medium term and possibly the long term. In addition, there is significant concern in macroeconomic terms about the general levels of indebtedness carried by certain governments. While bringing with it a range of issues, one of the consequences of an extended period of a higher-than-desired inflation is often to erode in real terms the value of government debt in a manner that reduces the economic cost in real terms of their payment obligations on such debt. This element of debt erosion may create an incentive for governments to be less robust in seeking to deal with inflation than might otherwise have been the case had the government concerned not suffered from a high level of indebtedness. If such inflation occurs, it would have the negative consequences for the Credit Funds set out above.

Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and



market participants contemplated by the legislation and increased regulation arising out of a financial crisis are difficult to predict or measure with certainty.

Credit Risks of Investments in Debt Instruments

The Credit Funds will primarily invest in senior secured loans, subordinated debt and other debt and debt-related instruments senior to common equity and equity securities, which are subject to credit and interest rate risks. “Credit risk” refers to the likelihood that an obligor will default on the payment of principal and/or interest on a debt investment. Financial strength and solvency of an obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt investment may affect its credit risk. Credit risk may change over the life of an investment. Debt investments that are rated by rating agencies (potentially including any investments acquired by the Funds through syndicated debt markets) are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such investment. “Interest rate risk” refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt Investment directly (particularly in the case of investments with adjustable rates) and indirectly (particularly in the case of fixed-rate Investments). In general, rising interest rates will negatively impact the price of a fixed-rate debt Investment and falling interest rates will have a positive effect on price. Adjustable-rate investments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in investments with uncertain payment or prepayment schedules.

Extension Risk

During periods of rising interest rates, the average life of certain fixed-rate debt and preferred stock securities is extended because of slower-than-expected principal payments. This may lock in a below-market interest rate and extend the duration of these securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, these securities may exhibit additional volatility and additional loss in value.

Interest Rate Risk

Credit portfolios are subject to interest rate risks; changes in the prevailing market interest rates could negatively affect the value of such investments in the Credit Funds’ portfolios. The ability of companies or businesses in which the Credit Funds may invest to refinance debt instruments or repay debt obligations (including making payments to the Credit Funds as creditors with respect thereto) may depend on their ability to obtain financing, including by selling new securities or instruments in the high-yield debt or bank financing markets, which at certain points over the last several years have been extraordinarily difficult to access at favorable rates. Volatility and instability in the securities market may also increase the risks inherent in the investments. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed-rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed-rate credit instrument and falling interest rates will have a positive effect on price. Adjustable-rate instruments also react to interest rate changes in a similar manner, although generally to a lesser degree. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. While interest rates are currently expected to remain at favorable rates in the near term, there is a consensus that the U.S. Federal Reserve will at some



point in the future tighten the monetary supply and increase benchmark interest rates, which may have a negative impact on the price of debt instruments globally and could adversely affect the value of the Investments. Additional factors that may affect market interest rates include, without limitation, inflation, slow or stagnant economic growth or recession, unemployment, international disorders, and instability in domestic and foreign financial markets. The Credit Funds expect that they will periodically experience imbalances in their assets and liabilities as a result of changes in interest rates. In a changing interest rate environment, the Credit Funds may not be able to manage this risk effectively. If the Credit Funds are unable to manage interest rate risk effectively, the Credit Funds' performance could be adversely affected. While the Credit Funds may seek to do so, the Credit Funds are not required to hedge their interest rate risk.

Nature of Investment in First Lien Senior Loans

The assets of the Credit Funds' portfolios may include first lien senior secured debt, including term loans and revolving loans and may pay interest at a fixed or floating rate.

The Credit Funds are permitted to acquire interests in first lien loans by way of purchase or assignment in the primary and secondary markets. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the legal documentation with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. In addition, if the Credit Funds acquire loans pursuant to an assignment, it is possible that the Credit Funds' claims may be subject to attack (i.e., equitable subordination or disallowance) on account of the conduct of the transferee.

Some of the senior secured loans acquired by the Credit Funds may be rated below investment grade or may not be rated by a credit rating agency. In terms of liquidity with respect to such investments, there can be no assurance that levels of supply and demand in senior secured loan trading will provide an adequate degree of liquidity for the investments therein.

The factors affecting an issuer's first lien loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other debt of an issuer. Furthermore, any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. The imposition of prior liens on the Credit Funds' collateral would adversely affect the priority of the liens and claims held by the Credit Funds and could adversely affect the Credit Funds' recovery on its investments.

Further, loans may become nonperforming for a variety of reasons. Nonperforming debt obligations may require substantial workout negotiations, restructuring, or bankruptcy filings that may entail a substantial reduction in the interest rate, deferral of payments, and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity.

Senior secured credit facilities are often syndicated to a number of different financial market participants. The documentation governing the facilities typically require either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. Senior secured loans are also subject to other risks, certain of which may be even more pronounced for the Credit Funds as a result of its debt investments in portfolio companies of the Equity Funds and the Perennial Fund, causing unsecured creditors to seek remedies in order to limit the Credits Funds' potential recovery, including (i) the possible invalidation of a debt or lien as a "fraudulent conveyance," (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors, (iv) so-called



“lender liability” claims by the issuer of the obligations, (v) environmental liabilities that may arise with respect to collateral securing the obligations, (vi) recharacterization claims in which certain creditors may seek to have the Credit Funds’ debt positions recharacterized as equity and therefore subordinate the Credit Funds’ claims to such creditors’ claims and (vii) designating the vote under a Chapter 11 of the Bankruptcy Code plan of reorganization in which lenders are entitled to vote as a class. It is possible that a secondary loan market participant can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received and does not return a preference or fraudulent conveyance or engaged in conduct that would qualify for equitable subordination.

The Credit Funds’ investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions that, in each case, could result in the issuer repaying the principal on an obligation held by the Credits Funds earlier than expected.

Nature of Investment in Second Lien Senior Loans

The assets of the Credit Funds’ portfolios may include second lien senior secured debt, including term loans and revolving loans and may pay interest at a fixed or floating rate. The investments in second lien senior loans may be unsecured and will rank behind the issuer’s secured indebtedness, including first lien senior loans.

The Credit Funds are permitted to acquire interests in second lien loans by way of purchase or assignment in the primary and secondary markets. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the legal documentation with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. In addition, if the Credit Funds acquire loans pursuant to an assignment, it is possible that the Credit Funds’ claims may be subject to attack (i.e., equitable subordination or disallowance) on account of the conduct of the transferee.

Some of the second lien senior secured loans acquired by the Credit Funds may be rated below investment grade or may not be rated by a credit rating agency. In terms of liquidity with respect to such investments, there can be no assurance that levels of supply and demand in senior secured loans trading will provide an adequate degree of liquidity for the investments therein.

Second lien loans are also subject to other risks and can cause unsecured creditors to seek remedies in order to limit the Credit Funds’ potential recoveries of such investments, including (i) the possible invalidation of a debt or lien as a “fraudulent conveyance,” (ii) the recovery as a “preference” of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors, (iv) so-called “lender liability” claims by the issuer of the obligations, (v) environmental liabilities that may arise with respect to collateral securing the obligations, (vi) recharacterization claims in which certain creditors may seek to have the Credit Funds’ debt positions recharacterized as equity and therefore subordinate the Credit Funds’ claims to such creditors’ claims and (vii) designating the vote (i.e., ignoring the customary class vote system) under a Chapter 11 of the Bankruptcy Code plan of reorganization in which lenders are entitled to vote as a class. It is possible that a secondary loan market participant can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received and does not return a preference or fraudulent conveyance or engaged in conduct that would qualify for equitable subordination.

The Credit Funds’ investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions that, in each case, could result in the issuer repaying



the principal on an obligation held by the Credit Funds earlier than expected. Second lien loans of the type targeted by the Credit Funds generally have maturities ranging from five to seven years. It is common for second lien debt to be repaid prior to its maturity; thus, the actual duration of such investments is typically shorter than their stated final maturity calculated solely on the basis of the stated life and repayment schedule. Generally voluntary prepayments are permitted, and the timing of prepayments cannot be predicted with any accuracy. The degree to which issuers prepay senior debt, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the issuer's financial condition, and competitive market conditions among lenders.

Nature of Investment in Unitranche Debt

The Credit Funds are permitted to invest in unitranche debt, which is an instrument that combines senior secured debt and subordinated debt into a single debt instrument. Unitranche loans are subject to similar risks associated with loans in general described herein, but because unitranche loans are a newer form of debt instrument and they have not been fully evaluated through a credit cycle, they subject the relevant Funds to risks that cannot be fully identified at this time. Further, the complex terms of unitranche debt have not yet been widely tested in bankruptcy and workout situations. As a result, default and loss expectations are more difficult to estimate with respect to unitranche debt as compared to other forms of debt instruments such as senior loans and subordinated debt instruments. In particular, in a bankruptcy proceeding involving a unitranche loan, there is a risk that the entire unitranche loan will be viewed as a single secured claim. If the collateral is insufficient to secure the entire unitranche loan, it may be deemed as an unsecured claim in its entirety. The untested nature of unitranche loan arrangements also expose the relevant Funds to heightened risk of litigation among the lender group in the event of bankruptcy.

Nature of Investment in Senior Debt

The Credit Funds' investments may include first lien and second lien senior secured debt. Such debt may (i) include term loans and revolving loans, (ii) pay interest at a fixed or floating rate and (iii) be acquired by way of purchase or assignment in the primary and secondary markets. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the legal documentation with respect to the debt obligation, although its rights can be more restricted than those of the assigning institution.

The factors affecting an issuer's first and second lien loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve first liens only on specified assets of an issuer. Issuers of first lien loans may have two tranches of first lien debt outstanding, each with first liens on separate collateral. Second lien loans are subordinate in right of payment to one or more senior secured loans of the related issuer and therefore are subject to additional risk that the cash flow of the related issuer and the collateral securing the loan may be insufficient to repay the scheduled payments to the Credit Funds after giving effect to any senior secured obligations of the related issuer. Second lien senior loans are also expected to be more illiquid than first lien senior secured loans for this reason. Moreover, there is less likelihood that the Credit Funds will be able to sell participations in second lien loans that it originates or acquires, which would expose the Credit Funds to higher risk with respect to the issuer. Additionally, a risk of second-lien loans is the inability of the Credit Funds to make certain decisions with respect to the issuer pursuant to any intercreditor or similar arrangement with the first-lien lender. In certain cases, therefore, no recovery may be available



from a defaulted second-lien loan. The level of risk associated with investments in second-lien loans increases to the extent such investments are loans of distressed or below investment grade companies.

If an issuer defaults on the Credit Funds' second-lien loan or debt senior to the Credit Funds' loan, or in the event of an issuer bankruptcy, the Credit Funds' second-lien loan will be satisfied only after the senior debt has been repaid in full. As a result, the Credit Funds may not recover some or all of their investment. In addition, second-lien loans may have higher loan to-value ratios than conventional loans, resulting in less equity in the collateral and increasing the risk of loss of principal.

Senior secured credit facilities may be syndicated to a number of different financial market participants. The documentation governing these facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions with respect to the outstanding loans, such as waivers, amendments or the exercise of remedies. In addition, voting to accept or reject the terms of a credit restructuring pursuant to a Chapter 11 plan of reorganization is usually done on a class basis. As a result of these voting regimes, the Credit Funds may not have the ability to control any decision as it relates to an amendment, waiver, exercise of remedies, restructuring or reorganization of an investment.

Further, senior secured loans are subject to other risks and can cause unsecured creditors to seek remedies to limit the Credit Funds' potential recovery from such investments, including (i) the possible invalidation of a debt or lien as a "fraudulent conveyance", (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors, (iv) "lender liability" claims by the issuer of the obligations, (v) environmental liabilities that may arise with respect to collateral securing the obligations, (vi) recharacterization claims in which certain creditors may seek to have the Credit Fund's debt Investments recharacterized as equity and therefore subordinate the Credit Funds' claims to such creditors' claims and (vii) designating the vote (i.e., ignoring the customary class vote system) under a Chapter 11 plan of reorganization in which lenders are entitled to vote as a class.

Nature of Loan Priority and Security

The Credit Funds' assets may include loans that are secured by a fixed or floating lien on some or substantially all of a borrower's assets. Although secured loans are generally senior in priority, there are many factors that may impact the security, placement, and priority of secured loans in the overall capital structure of the borrower.

Unsecured creditors may, in certain cases, have priority over the claims of secured creditors. Additionally, the Credit Funds' investments in secured loans may be unperfected for a variety of reasons, including the failure to make required filings or renew required filings prior to expiration thereof and, as a result, the Credit Funds may not have priority over other creditors as anticipated. To the extent that the Credit Funds' debt investments are only secured by specific assets, the Credit Funds' claim will not have priority over the claims of unsecured creditors on the borrower's other assets. Furthermore, in the event of nonpayment of interest or principal of a loan, or other default resulting in an exercise of lender rights, there is no guarantee that the collateral can be readily liquidated or that the liquidation of such collateral would satisfy all of the borrower's obligations under the loan documents.



Secured credit facilities are typically syndicated to a large number of leveraged loan market participants and the Credit Funds may not hold a majority of any such credit facility. The Credit Funds may not hold all or even a majority of a secured credit facility. Loan documentation typically requires a majority consent or, in certain cases, unanimous approval for certain actions in respect of the loans, including waivers, amendments or the exercise of remedies. In a bankruptcy, voting to accept or reject the terms of a restructuring of a credit pursuant to a chapter 11 plan of reorganization is done on a class basis. As a result of the voting systems in place both before and in a bankruptcy, the Credit Funds may not have the ability to control decisions in respect of certain amendment, waiver, consent, asset sale, debt incurrence, lien release, exercise of remedies, subordination of payment or lien priority, restructuring or reorganization of debts owed to the Credit Funds.

Many secured credit loan documents contain accordion and other provisions allowing the borrower to increase borrowing capacity under such credit facilities and/or incur additional debt outside of such credit facilities, which could dilute the value of the collateral securing such borrowing and increase the risk that the Credit Funds' loans would be undersecured. The loan documents may also allow the borrower to sell or otherwise transfer assets outside of the collateral package (and cause the release of liens thereon), which could result in reduction of enterprise value of the borrower and/or increase the risk that the Credit Funds' loans would be undersecured.

In certain cases, the borrower and a majority (or other requisite subset of lenders) may also agree to amend the loan documents to permit certain actions that may be adverse to the interests of the Credit Funds, in each case, without the Credit Funds' consent. These actions may include, without limitation, (i) the sale or other transfer of material assets outside of the collateral package securing the Credit Funds' loans, (ii) the release of liens on such material assets, (iii) an increase to debt incurrence capacity, (iv) the incurrence of superpriority debt, or (v) the subordination of payment and/or lien priority of any existing loans, including the Credit Funds' loans. Furthermore, in the event of a filing by an issuer under chapter 11 of the Bankruptcy Code, the borrower is authorized to obtain additional financing by granting creditors a superpriority lien on its assets, senior even to liens that were first in priority prior to the filing, as long as the borrower provides "adequate protection" (as determined by the presiding bankruptcy judge) that may consist of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The transfer of material assets outside of the collateral package, incurrence of additional indebtedness, subordination of payment and/or lien priority on the Credit Funds' collateral, both before or in a bankruptcy would adversely affect the priority of the liens and claims held by the Credit Funds and could adversely affect the Credit Funds' recovery on its debt investments.

Nature of Investment in Subordinated Debt Instruments

The Credit Funds' investments in subordinated debt will be unsecured and rank behind the issuer's secured indebtedness. While such subordinated debt investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments and may benefit from cross-default provisions, some or all of such terms may not be part of particular investments. For example, under typical subordination terms, secured creditors are able to block the acceleration of the debt or the exercise by debt holders of other rights or remedies they may have as creditors for a period of time. In addition, the unsecured debt in which the Credit Funds may invest may not be protected by financial covenants or limitations upon additional indebtedness, could have limited liquidity and may not be rated by a credit rating agency. Further, upon any distribution to an issuer's creditors in a bankruptcy, liquidation or reorganization, or similar proceeding, the holders of such issuer's senior and/or



secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made with respect to the Credit Funds' subordinated debt investments. In the event of a bankruptcy, liquidation or reorganization, or similar proceeding relating to an issuer, the Credit Funds will participate with all other holders of such issuer's indebtedness in the assets remaining after the issuer has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). An issuer may not have sufficient funds to pay all of its creditors and the Credit Funds may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such issuer or the holders of indebtedness that is not subordinated.

Covenant-Lite Loans

Although Vista generally expects the loan documentation of most of the Credit Fund investments to include both incurrence and maintenance-based covenants, there may be instances in which such investments do not have maintenance financial covenants ("Covenant-Lite Loans") in the related loan documentation. An investment in such a Covenant-Lite Loan may potentially hinder the ability to re-price credit risk associated with a portfolio company's performance and reduce the creditors' ability to restructure a nonperforming loan and mitigate potential loss. These flexible covenants (or the absence of covenants) could cause obligors to experience a significant downturn in their results of operation without triggering any default that would permit holders of directly originated senior secured loans (such as the Credit Funds) to accelerate indebtedness or negotiate terms and pricing. As a result, the Credit Funds' exposure to losses may be increased, which could result in an adverse impact on the return to Investors.

Mezzanine and Other Subordinated Investments

The Credit Funds are permitted to invest in loans, securities and/or other instruments, or interests in pools of securities and/or other instruments that are subordinated or may be subordinated in right of payment and ranked junior to other securities and/or instruments issued by, or loans made to, obligors. Mezzanine and other subordinated debt investments involve a high degree of risk with no certainty of any return of capital. Although subordinated debt is senior to common stock and other equity securities in the capital structure, it may be subordinated to large amounts of senior debt and is often unsecured.

While subordinated debt investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of such investments and may benefit from cross-default provisions, some or all of such terms may not be part of particular investments. In addition, the ability of the subordinated debt holders to influence a company's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the mezzanine debt or other exercises by the subordinated creditors of their rights. Accordingly, the relevant Credit Funds may not be able to take the steps necessary to protect their investments in a timely manner or at all. Further, the unsecured debt in which certain Credit Funds may invest may not be protected by financial covenants or limitations upon additional indebtedness, could have limited liquidity and may not be rated by a credit rating agency.

Subordinated debt investments may increase a relevant Credit Fund's exposure to adverse economic factors such as significantly rising interest rates, severe downturns in the economy or deterioration in the condition of the obligor on the subordinated debt investment. Conversely, mezzanine loans and other subordinated debt investments are often less risky than equity



investments because the claims of subordinated debt investors are typically senior to those of equity holders in the company. In the event that any obligor of a mezzanine loan or other subordinated debt investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of the relevant Credit Fund's investment in such loan could be significantly reduced or even eliminated.

If an obligor becomes subject to insolvency proceedings in any jurisdiction, the rights of holders of mezzanine and subordinated debt may be adversely affected. Such proceedings and related laws and remedies vary substantially from jurisdiction to jurisdiction, may create the right of such obligor to avoid certain unfavorable contracts or obligations and may result in significant delay and/or limitations on repayment of amounts owed to a relevant Credit Fund. With respect to a Credit Fund's investments in the form of subordinated debt obligations, upon any distribution to the relevant borrower's creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such borrower's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on such investment. In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to such a borrower, a relevant Credit Fund will typically participate with all other holders of such borrower's indebtedness in the assets remaining after the borrower has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). Such borrower may not have sufficient funds to pay all of its creditors, and a relevant Credit Fund may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such borrower or the holders of indebtedness that is not subordinated.

Sub-Investment Grade and Unrated Debt Obligations

The Credit Funds' investment strategies are focused on investing in instruments that include sub-investment grade debt obligations. Investments in the sub-investment grade categories are subject to greater risk of loss of principal and interest than higher-rated instruments and may be considered to be speculative with respect to the obligor's capacity to pay interest and repay principal. Such investments may also be considered to be subject to greater risk than those with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with sub-investment grade instruments, the yields and prices of such instruments may fluctuate more than those that are higher rated. The market for sub-investment grade instruments may be smaller and less active than those that are higher rated, which may adversely affect the prices at which these Investments can be sold and result in losses to the Credit Funds, which, in turn, could have a material adverse effect on the performance of the Credit Funds.

Investments in Unsecured Debt

The Credit Funds may invest a portion of their assets in unsecured indebtedness, whereas all or a significant portion of the issuer's senior indebtedness may be secured. In such situations, the ability of the Credit Funds to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors.

Structured Finance Securities

The Credit Funds may invest in structured finance securities such as, for example, CLOs or other asset-backed instruments backed by corporate and consumer receivables (both that have and that do not have a CUSIP number) or similar instruments. Structured finance securities may



present risks similar to those of the other types of investments in which the Credit Funds may invest and, in fact, such risks may be of greater significance in the case of structured finance securities. Moreover, investing in structured finance securities may entail a variety of unique risks. Among other risks, structured finance securities may be subject to prepayment risk. In addition, the performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, whether collateral represents a fixed set of specific assets or accounts, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

Certain structured finance securities (particularly subordinated structured finance securities) may also provide that the nonpayment of interest in cash on such securities will not constitute an event of default in certain circumstances and the holders of such securities will not have available to them any associated default remedies. Interest not paid in cash will often be capitalized and added to the outstanding principal balance of the related security. Any such deferral will reduce the yield on such structured finance securities. Distributions on structured finance securities generally depend solely upon the amount and timing of payments and other collections on the related underlying collateral, the amount of which is typically established to withstand certain assumed deficiencies in payment occasioned by defaults of the underlying collateral. However, if any deficiencies exceed such assumed levels, payments on the related structured finance securities could be adversely affected by defaults.

Structured finance securities are generally limited recourse obligations of the issuer payable solely from the underlying collateral of the issuer or proceeds thereof, and the structured finance securities will not be guaranteed by any person. Consequently, holders of structured finance securities must rely solely on distributions on the underlying collateral or proceeds thereof for payment in respect thereof, and to the extent the underlying collateral is insufficient to pay the structured finance securities in full the issuer will not have any other assets that can satisfy any deficiencies.

Leveraged Loans

Generally, the Credit Funds' investments may be comprised of leveraged loans, which have significant liquidity and market value risks since they are not generally traded on organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities.

Historically the trading volume in loan markets has been small relative to high-yield debt securities markets. In addition, leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on leveraged loans, and an increase in default levels could have a material adverse effect on the Credit Funds.

A noninvestment grade loan or debt obligation (or an interest therein) is generally considered speculative in nature and may become a defaulted obligation for a variety of reasons. A defaulted obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-



down of principal, and a substantial change in the terms, conditions, and covenants with respect to such defaulted obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted obligation. The liquidity for defaulted obligations may be limited, and to the extent that defaulted obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any defaulted obligation will not be lower than the recovery rate assumed by Vista.

Corporate Leveraged Loans

The Credit Funds may take long positions on corporate leveraged loans. The corporate loans in which the Credit Funds invest are subject to the risk of loss of principal and income. Corporate leveraged loans are often issued in connection with highly leveraged transactions. Such transactions include leveraged buyout loans, leveraged recapitalization loans, and other types of acquisition financing. Loan investments issued in such transactions are subject to greater credit risks than other investments, including a greater possibility that the borrower may default or enter bankruptcy.

Although borrowers generally provide collateral to secure repayment of these obligations they do not always do so. If they do provide collateral, the value of the collateral may not completely cover the borrower's obligations at the time of a default. If a borrower files for protection from its creditors under the U.S. bankruptcy laws, these laws may limit the Credit Fund's rights to its collateral. In addition, the value of collateral may erode during a bankruptcy case. In the event of a bankruptcy, the holder of a corporate loan may not recover its principal, may experience a long delay in recovering its investment and may not receive interest during the delay.

Investments in Convertible Debt

The Credit Funds may make investments in convertible debt securities and/or similar instruments. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable borrower, government fiscal policy and domestic or worldwide economic conditions.

Unfunded Loans

Certain Credit Fund investments may be comprised of loan commitments that are unfunded at the time of investment. A loan commitment is a written agreement in which the lender commits itself to make a loan or loans up to a specified amount within a specified time period. The loan commitment sets out the terms and conditions of the lender's obligation to make the loans. The portion of the amount committed by a lender under a loan commitment that the borrower has not drawn down is referred to as "unfunded." A lender typically is obligated to advance the unfunded amount of a loan commitment at the borrower's request, subject to certain conditions regarding the creditworthiness of the borrower. Borrowers with deteriorating creditworthiness may continue to satisfy their contractual conditions and therefore be eligible to borrow at times when the lender might prefer not to lend. In addition, a lender may have assumptions as to when a company in which a Credit Fund invests may draw on an unfunded loan commitment when the lender enters



into the commitment. If the borrower does not draw as expected, the commitment may not prove as attractive an investment as originally anticipated. Further, any failure to advance requested funds to a company in which a Credit Fund invests could result in possible assertions of offsets against amounts previously lent. In addition, the Management Fee accrues and is payable with respect to the unfunded portion of any loan commitments, despite the fact that the Limited Partners have not contributed capital in respect of such unfunded portions and, accordingly, the preferred return does not accrue with respect to such unfunded portions.

High-Yield Securities and Instruments

The Credit Funds are permitted to invest in high-yield or non-investment grade securities and/or other instruments. Such securities and other instruments are generally not exchange-traded and, as a result, these securities, and other instruments trade in the over-the-counter marketplace, which is less transparent and less liquid than the exchange-traded marketplace. In addition, such Credit Funds may invest in bonds of obligors that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Noninvestment grade securities and other instruments face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the obligor's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated securities and other instruments tend to reflect individual corporate developments to a greater extent than do higher-rated securities and other instruments which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than are higher-rated securities and other instruments. Companies that issue such securities and other instruments are often highly leveraged and may not have available to them more traditional methods of financing. A major economic recession could severely disrupt the market for such securities and other instruments and may have an adverse impact on the value of such securities and other instruments. In addition, it is possible that any such economic downturn could adversely affect the ability of the obligors of such securities and other instruments to repay principal and pay interest thereon and increase the incidence of default of such securities and other instruments.

Zero-Coupon and Deferred Interest Bonds

Certain Funds may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

Lender Liability; Equitable Subordination

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Credit Funds' investments, the Credit Funds could be subject to allegations of lender liability.



In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called “equitable subordination”). Due to the nature of the debt obligations, the Credit Funds may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated. This equitable subordination risk may particularly result from the Credit Funds investing in debt securities of portfolio companies of Equity Funds and the Perennial Fund. Particularly, in a bankruptcy proceeding, a Credit Fund’s interest in a portfolio company may be subordinated or otherwise adversely affected by virtue of such Equity Fund’s or Perennial Fund’s involvement.

Risks Associated with Bankruptcy Cases

The Credit 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 Credit 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 and/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 and/or the Credit 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 the operations of its business. In some cases, a company may not be able to reorganize and may be required to liquidate assets. If the bankruptcy proceeding is converted to a liquidation, the liquidation value of the company may not be equal to the liquidation value that was believed to exist at the time of the investment. Decisions by the Credit Funds to invest primarily in the debt of such companies may not be protective of the Credit Funds’ economic interests, 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 borrower’s fundamental value. Such Investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of “substantially similar” claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Credit Funds’ influence with respect to a class of claims can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the 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 Credit 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 Credit Funds.

Non-U.S. Bankruptcy Laws

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 emerging market countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Nonpayment of Principal and Interest; Adequacy of Collateral

The investments are subject to the risk of nonpayment of scheduled interest or principal by the borrower with respect to such Investments. Such nonpayment would likely result in a reduction of income to the Credit Funds and a reduction in the value of the investments experiencing nonpayment, which could have a material adverse effect on the Credit Funds' investments. Although the Credit Funds may make investments that Vista believes are secured by specific collateral, the value of which typically exceeds the principal amount of the investment at the time of initial investment, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of nonpayment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Credit Funds could experience delays or limitations with respect to their ability to realize the benefits of the collateral securing an investment.

Under certain circumstances, collateral securing an investment may be released without the consent of the Credit Funds. Moreover, the Credit Funds' secured loans may be unperfected for a variety of reasons, including the failure to make required filings and, as a result, the Credit Funds may not have priority over other creditors as initially anticipated.

Certain Investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a company's ability to repay the principal of an Investment may be dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

Risks of Physical Assets

The Credit Funds may become involved in transactions which result in the ownership of physical assets (typically collateral for secured loans and bonds). In such cases, the Credit Funds will be subject to all the risks inherent in owning physical assets.

Nonperforming Nature of Debt

It is anticipated that certain debt instruments purchased by the Credit Funds will be nonperforming and possibly in default at the time of such purchase. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans.



Low Credit Quality Securities

The Credit Funds are permitted to invest in securities that may make particularly risky investments that also may offer the potential for correspondingly high returns. As a result, a Credit Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to the Credit Funds' investment in any security. The debt securities in which the Credit Funds are permitted to invest may be rated lower than investment grade and hence may be considered to be "junk bonds" or distressed securities.

Distressed Credit

The Credit Funds are permitted to invest in securities of U.S. and non-U.S. 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. Investments of this type 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 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 investments are also subject to abrupt and erratic market 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 markets due to a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, which may significantly affect the results of the Credit Funds' activities. It may take a number of years for the market price of such investments to reflect their intrinsic value. Investments in distressed securities, particularly in connection with reorganizations, often involve litigation generally related to issues related to control and preference among classes, claimants, and other related matters. Such litigation can be time-consuming and expensive and can frequently lead to unpredicted delays or losses that by their nature involve business, financial, market and/or legal risks. 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 of the Credit Funds' investment in respect to which such distribution was made. While investments in distressed securities offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that Vista will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments.

Participation Interests

The Credit Funds are permitted to purchase participation interests in debt instruments that do not entitle the holder thereof to direct rights against the obligor. Participations held by a Credit Fund in a selling institution's portion of a debt instrument typically result in a contractual relationship only with such selling institution, not with the obligor. Such Credit Fund would have the right to receive payments of principal, interest, and any fees to which it is entitled only from the institution selling the participation and only upon receipt by such selling institution of such payments from the obligor. In connection with purchasing participations, a relevant Credit Fund generally will have no right to enforce compliance by the obligor with the terms of the related loan agreement,

nor any rights of set-off against the obligor and such a Credit Fund may not directly benefit from the collateral supporting the debt instrument in which it has purchased the participation. As a result, such a Credit Fund will assume the credit risk of both the obligor and the selling institution selling the participation. In the event of the insolvency of such selling institution, such a Credit Fund may be treated as a general creditor of such selling institution and may not benefit from any set-off between such selling institution and the obligor. Moreover, when a Credit Fund holds a participation in a debt instrument, it may not have the right to vote to waive enforcement of any restrictive covenant breached by an obligor or, if the Fund does not vote as requested by the selling institution, it may be subject to repurchase of the participation at par. Selling institutions voting in connection with a potential waiver of a restrictive covenant may have interests different from those of the relevant Credit Fund, and such selling institutions may not consider the interests of the relevant Credit Fund in connection with their votes.

Assignments

The Credit Funds are also permitted to purchase assignments, which are arrangements whereby a creditor assigns an interest in a loan to a Credit Fund. The purchaser of an assignment typically succeeds to all the rights and obligations of the assignor of the loan and becomes a lender under the loan agreement and other operative agreements relating to the portfolio investment. Assignments are, however, arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assignor of the loan. In contrast to the rights of a Credit Fund as an owner of a participation, such Credit Fund, as an assignee, will generally have the right to receive directly from the obligor all payments of principal, interest, and any fees to which it is entitled. In some assignments, the obligor may have the right to continue to make payments to the assignor with respect to the assigned portion of the loan. In such a case, the assignor would be obligated to receive such payments as agent for such Credit Fund and to promptly pay over such amounts as are received. As a purchaser of an assignment, a Credit Fund typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. Such Credit Fund will also have the same rights as other lenders to enforce compliance by the obligor with the terms of the loan agreement, to set-off claims against the obligor and to have recourse to collateral supporting the portfolio investment. As a result, such Credit Fund may not bear the credit risk of the assignor and the insolvency of an assignor of a loan should have little effect on the ability of such Credit Fund to continue to receive payments of principal, interest, or fees from the obligor. Such Credit Fund will, however, assume the credit risk of the obligor.

Corporate Debt Obligations

The Credit Funds may invest in corporate debt obligations, including commercial paper. Corporate debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations. Therefore, the Credit Funds may be exposed to such risks associated with corporate debt obligations.

Commercial Paper

The Credit Funds may invest in commercial paper, which represents short-term unsecured promissory notes issued by banks or bank holding companies, corporations, finance companies, state, and local governments, and by public authorities, agencies, and instrumentalities. In the event the issuer cannot generate adequate cash flow, the Credit Funds may suffer a partial or total loss of capital invested. In addition, the lack of security presents some risk of loss to the



Credit Funds since, in the event of an issuer's bankruptcy, unsecured creditors are repaid only after the secured creditors out of the assets, if any, that remain.

Short Sales

The Credit Funds may engage in short selling, including short selling on a speculative basis. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in securities prices. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Credit Fund of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Additionally, certain market participants could accumulate such securities in a "short squeeze," which would reduce the available supply, and thus increase the cost, of such securities. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. The Credit Funds are not prohibited from engaging in short selling as a speculative return strategy, nor are they prohibited in determining when, whether and in what manner to engage in short selling.

Risks of Credit Derivative Transactions

The Credit Funds may be a user of credit derivatives for hedging purposes respecting their investments. Such derivatives serve as contracts that transfer price, spread and/or default risks of debt and other instruments from one party to another. Such instruments may include one or more debtors. The market for credit derivatives may be relatively illiquid, and there are considerable risks that may make it difficult either to buy or sell the contracts as needed or at reasonable prices. Sellers of credit derivatives carry the inherent price, spread and default risks of the debt instruments covered by the derivative instruments. Buyers of credit derivatives carry the risk of nonperformance by the seller due to inability to pay. There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the contract and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk.

In addition, the Credit Funds will invest in bank debt, either through a direct assignment, whereby the Credit Funds are listed as the owner of the instrument on the books and records of the agent bank, or through a participation or similar interest, whereby the Credit Funds are not treated as a direct owner of the underlying instrument and is therefore subject to the risk of nonperformance by the counterparty to the transaction.

Derivative Financial Instruments and Techniques

The Credit Funds may enter into certain derivative financial instruments with certain rated counterparties. The risks posed by such instruments and techniques, which can be extremely complex, include: (i) credit risks (the exposure to the possibility of loss resulting from the failure by any such counterparty to meet its financial obligations); (ii) market risk (the exposure to potential losses arising from adverse movements in the price of a financial asset); (iii) legal risks (the exposure to potential losses arising from the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (iv) operational risks (the exposure to losses arising from inadequate controls, deficient



procedures, human error, system failure or fraud); (v) documentation risks (exposure to losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) systemic risks (the exposure to potential losses arising from the risk that financial difficulties in one institution or a major market disruption will cause financial harm to the financial system); (viii) concentration risks (the exposure to potential risk of losses arising from the lack of diversification in any concentrated exposure to a particular industry or exposure linked to a particular entity); (ix) settlement risk (the exposure to the risk of potential losses arising from unexecuted obligations of any such counterparty where the Credit Funds have performed their obligations under such a contract but has not yet received value from their counterparty); and (x) set-off risks (the exposure to losses arising from the risk that any such counterparty may potentially set-off obligations owed to it by the Credit Funds (or their affiliates under unrelated contract)).

Use of derivatives, particularly in combination with other techniques such as short sales of assets not held by the Credit Funds, involves certain additional risks, including: (i) dependence on the ability to predict movements in the price of the securities; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) impediments to the Credit Funds' ability to meet its short-term obligations due to the percentage of a portfolio's assets posted as collateral under the terms of such derivative.

The Credit Funds may from time to time lend securities from its portfolio to brokers, dealers and financial institutions and receive collateral in cash or securities. The Credit Funds will retain all rights of beneficial ownership as to the loaned securities, including voting rights and rights to interest or other distributions, and will have the right to regain record ownership of loaned securities to exercise such beneficial rights. Such loans will generally be terminable at any time. The Credit Funds may pay finders', administrative and custodial fees to persons unaffiliated with the Credit Funds in connection with the arranging of such loans.

Futures and Swaps

The Credit Funds may trade in swaps and may trade on a limited basis in futures. Transactions in futures and swaps carry a high degree of risk. Swap agreements may be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Credit Funds' exposure to such investments or market factors, such as long-term or short-term interest rates (in the United States or abroad), foreign currency values, corporate borrowing rates or other factors such as security prices, baskets of securities or inflation rates. Swap agreements will tend to shift the Credit Funds' investment exposure from one type of Investment to another. Depending on how swap agreements are used, they may increase or decrease the overall volatility of the Credit Funds' portfolio. If a swap counterparty's creditworthiness declines, the value of the related swap agreement would be likely to decline, potentially resulting in losses to the Credit Funds. Furthermore, if the swap agreement is designed to give exposure to a particular asset and such asset were to default, the Credit Funds would have no right to enforce compliance by the borrower and accordingly the value of the swap agreement to enforce compliance by the borrower and accordingly the value of the swap agreement would likely be less than it would be if the Credit Funds held the underlying asset. A significant factor in the performance of swap agreements is the change in the specific amounts of payments to and from the Credit Funds. If a swap agreement calls for payments by the Credit Funds, then the Credit Funds must make such payments when due. The amount of initial margin may be small relative to the value of the futures or swap contract so that transactions are "leveraged" or "geared." A relatively small market

movement will have a proportionately larger impact on the funds invested by the Credit Funds. The Credit Funds may sustain a total loss of initial margin funds and any additional funds deposited to maintain its position. If the market moves against the Credit Funds' position or margin levels are increased, such Credit Funds may be called upon to pay substantial additional funds on short notice to maintain its position. If the Credit Funds fail to comply with a request for additional funds within the time prescribed, its position may be liquidated at a loss and the Credit Funds will be liable for any resulting deficit.

Use of Options

The Credit Funds may buy or sell (write) both call options and put options (either exchange-traded, over-the-counter or issued in private transactions), and when they write options they may do so on a "covered" or an "uncovered" basis. 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. The purchaser of a put or call option runs the risk of losing its entire investment in a relatively short period of time if an option expires unexercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

Forward Trading

Forward contracts and options thereon, unlike futures contracts, generally are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward trading (if forward contracts are not traded on exchanges) and "cash" trading are substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually widespread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Credit Funds due to unusually high trading volume, political intervention, or other factors. The imposition of controls by government authorities might also limit such forward (and futures) trading to less than that which Vista would otherwise recommend, to the possible detriment of the Credit Fund. Market illiquidity or disruption could result in losses to the Credit Funds.

Warrants

The Credit Funds may receive warrants, and in certain circumstances, may be required to exercise such warrants in order to hold the underlying securities. The relevant Credit Fund would seek to negotiate "cashless" exercise for all warrants that it receives, whereby no investment will be required to convert; however, on occasion it may not be possible to negotiate such "cashless" exercise, and a Credit Fund may be required to invest cash to convert warrants and hold underlying securities, which may subsequently lose some or all of their value.



Post-Reorganization Securities

The Credit Funds may invest in companies that have just experienced a reorganization or restructuring. Post-reorganization securities may be illiquid, subject to heavy selling and/or downward pricing pressure after completing a reorganization or restructuring. Having a “blocking position” in a security that is subject to a plan of reorganization, or a restructuring entails significant risks if the Credit Funds’ evaluation of the anticipated outcome of the investment situation should prove incorrect. Accurate information pertaining to the true condition of such issuers is frequently difficult to obtain.

Capital Structure Arbitrage

The Credit Funds may engage in capital structure arbitrage. This investment strategy seeks to identify and exploit the relationships between price movements in different securities and instruments within a single issuer’s capital structure (for example, between senior debt and common stock or between subordinated debt and preferred stock). Identification and exploitation of these opportunities involve uncertainty. In the event that the perceived mispricings underlying these positions fail to materialize, these investment strategies could be unsuccessful or result in losses.

Cross-Collateralization

The Credit Funds are permitted to engage in financing transactions where several investments are cross collateralized, thereby subjecting multiple investments to the risk of loss. As a result, the Credit Funds could lose their interests in performing investments in the event such investments are cross collateralized with poorly performing or nonperforming investments.

Purchases of Debt on a Secondary Basis

The Credit Funds are permitted to invest in loans acquired on a secondary basis. To the extent a Credit Fund does so, a Credit Fund is unlikely to be able to negotiate the terms of such debt as part of its acquisition and, as a result, these loans may not include some of the covenants and protections the Fund may generally seek. Even if such covenants and protections are included in the investments held by such Credit Fund, the terms of the loans may provide obligors substantial flexibility in determining compliance with such covenants. In addition, the terms on which loans are traded on the secondary market may represent a combination of the general state of the market for such investments and either favorable or unfavorable assessments of particular investments by the sellers thereof.

Priority of Repayment

With respect to any senior loans in which a Credit Fund invests, the characterization of an investment as senior debt or senior secured debt does not mean that such debt will necessarily have repayment priority with respect to all other obligations of a borrower. Borrowers may have, and/or may be permitted to incur, other debt and liabilities that rank equally with or senior to the senior loans in which a Credit Fund invests. If other indebtedness is incurred that ranks in parity in right of payment or proceeds of collateral with respect to senior loans in which a Credit Fund invests, such Credit Fund would have to share on an equal basis any distributions with other creditors in the event of a liquidation, reorganization, insolvency, dissolution, or bankruptcy of such a borrower. Where a Credit Fund holds a first lien to secure senior indebtedness, the borrowers may be permitted to issue other senior loans with liens that rank junior to the first liens



granted to such Credit Fund. The intercreditor rights of the holders of such other junior lien debt may, in any liquidation, reorganization, insolvency, dissolution or bankruptcy of such a borrower, affect the recovery that a Credit Fund would have been able to achieve in the absence of such other debt.

Even where the senior loans held by a Credit Fund are secured by a perfected lien over a substantial portion of the assets of a borrower and its subsidiaries, the borrower and its subsidiaries will often be able to incur a substantial amount of additional indebtedness, which may have an exclusive lien over particular assets. For example, debt and other liabilities incurred by non-guarantor subsidiaries of borrowers will be structurally senior to the debt held by such Credit Fund. Accordingly, any such debt and other liabilities of such subsidiaries would, in the event of liquidation, dissolution, insolvency, reorganization or bankruptcy of such subsidiary, be repaid in full before any distributions to an obligor of the loans held by such Credit Fund. Furthermore, these other assets over which other lenders have a lien may be substantially more liquid or valuable than the assets over which a Credit Fund has a lien. A Credit Fund's investments in second-lien secured debt would further compound the risks described in this paragraph.

Securitization Vehicles

Certain of the Credit Funds' investments include CLO products and other securitizations (including "equity" interests thereof; and in such cases a double layer of fees and expenses may be borne by Investors in such Credit Funds to the extent such fees are not waived or offset by the relevant manager), which are generally limited recourse obligations of a portfolio company ("Securitization Vehicles") payable solely from the underlying assets ("Securitization Assets") of an obligor or the proceeds thereof. Consequently, holders of equity or other instruments or obligations issued by Securitization Vehicles must rely solely on distributions on the Securitization Assets or proceeds thereof for payment in respect thereof. In addition, certain Credit Funds themselves are Securitization Vehicles. The Securitization Assets may include, without limitation, broadly syndicated leverage loans, middle-market bank loans, collateralized debt obligation debt tranches, trust preferred securities or instruments, insurance surplus notes, asset-backed securities or instruments, mortgages, REITs, high-yield bonds, mezzanine debt, second-lien leverage loans, credit default swaps and emerging market debt and corporate bonds, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. As described in greater detail below, Securitization Vehicles will typically be actively managed by Vista or its affiliate, in its capacity as the collateral manager (the "Collateral Manager"), and as a result the Securitization Assets will be traded, subject to rating agency and other constraints, by the Collateral Manager. The aggregate return on the Securitization Vehicles, or the Credit Fund's investment in Securitization Vehicles, will depend in part upon the Collateral Manager's ability to actively manage the related portfolio of Securitization Assets.

Securities issued by Securitization Vehicles represent leveraged investments in the Securitization Assets held by the Securitization Vehicle issuer. The use of leverage creates risk for the holders of Securitization Vehicle securities because the leverage increases their exposure to losses with respect to the Securitization Assets. These risks are magnified when a Credit Fund invests in subordinated Securitization Vehicle securities, as described below under "Risk Relating to Equity in Securitization Vehicles." As a result, the occurrence of defaults with respect to only a small portion of the assets could result in the substantial or complete loss of the investment in the Securitization Vehicle securities. Due to the existence of leverage, changes in the market value of the Securitization Vehicle securities held by a Credit Fund could be greater than the changes in the values of the Securitization Assets of the Securitization Vehicle.



Further, the investments made by a Credit Fund through Securitization Vehicles involve a high degree of business and financial risk. This risk could arise from changes in the financial condition or prospects of the Securitization Vehicle, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made. General fluctuations in the market prices of securities and other obligations, as well as interest rates may affect the value of the Securitization Assets underlying the Securitization Vehicle. Volatility and instability in the markets may also increase risk. Securitization Vehicles will directly and indirectly expose a relevant Credit Fund to interest rate risks. In a changing interest rate environment, such Credit Fund may not be able to manage this risk effectively. The Credit Fund may incur major losses in the event of market disruptions and other extraordinary events in which historical pricing relationships become materially distorted.

Investments in Securitization Vehicles are extremely complex and are subject to a number of other risks related to, among other things, the rate of defaults and recoveries in the Securitization Assets, pre-payment rates, terms of Securitization Assets purchased to replace Securitization Assets that have pre-paid, the exercise of remedies by more senior securities issued by the Securitization Vehicles and the possibility that no market will exist if a Credit Fund chose to sell its interests in Securitization Vehicles, as well as the other risks further described below.

Risks Relating to the Securitization Assets of Securitization Vehicles

The success of the Securitization Assets underlying a Securitization Vehicle will depend, in part, on such Securitization Vehicle's ability to acquire Securitization Assets on advantageous terms. Increased competition for, or a diminution in the available supply of, qualifying Securitization Assets may result in lower yields on such Securitization Assets, which could reduce returns on the Securitization Assets, and, therefore, to the relevant Credit Fund.

The terms of Securitization Assets held by a Securitization Vehicle may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the borrower repaying the principal on such Securitization Assets earlier than expected, either with no or a nominal prepayment premium. There is no assurance that a Securitization Vehicle will be able to reinvest proceeds received from prepayments in assets that satisfy its investment objective, and any delay in reinvesting such proceeds may affect the performance of such Securitization Vehicle. Conversely, if prepayments do not occur within the expected time frame, the life of the Securitization Vehicle may be longer than expected.

In addition, a Securitization Vehicle may invest in Securitization Assets that are rated below investment grade by the various credit rating agencies. Securitization Assets rated below investment grade are perceived to be subject to greater risk of loss of principal and interest than higher rated Securitization Assets and are generally considered to be predominantly speculative with respect to the borrower's capacity to pay interest and repay principal.

Risk Relating to Equity in Securitization Vehicles

The Credit Funds' investments may include direct or indirect equity interests in a Securitization Vehicle ("Securitization Vehicle Equity" and Investors in Credit Funds that are Securitization Vehicles will invest in Securitization Vehicle Equity). Securitization Vehicle Equity represents residual or other subordinated interests in the Securitization Vehicle issuer. Securitization Vehicle Equity is payable solely from the available proceeds from the Securitization Assets held by the Securitization Vehicle. Securitization Vehicle Equity is not secured, and the relevant Credit Funds



would have to rely solely upon distributions on the Securitization Assets for repayment. If distributions on such assets are insufficient to pay fees and expenses, to make payments on the debt securities of the Securitization Vehicle or to pay distributions on the Securitization Vehicle Equity in accordance with the applicable priority of payments, no other assets will be available for the payment of the deficiency.

Payments of principal of, and interest on, secured notes issued by Securitization Vehicles, and dividends and other distributions on Securitization Vehicle Equity, are subject to such Securitization Vehicle's priority of payments. Securitization Vehicle Equity is subordinated to the prior payment of all obligations under debt securities issued by a Securitization Vehicle. Thus, the greatest risk of loss relating to defaults on the Securitization Assets held by Securitization Vehicles is borne by the Securitization Vehicle Equity.

Additionally, a Credit Fund's (or other Investors') interest in Securitization Vehicle Equity may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities may be extremely volatile and the relevant Credit Fund may not be able to sell them or cause them to be sold when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

Risks Related to Management of Securitization Vehicles

The Collateral Manager of a Securitization Vehicle has the discretion to make collateral management decisions for the Securitization Vehicle, including with respect to asset selection, disposition, and amendments of the underlying Securitization Assets. In exercising that discretion, the Collateral Manager is responsible for acting solely in the best interests of the Securitization Vehicle, not the Credit Funds' or any Limited Partner. The Limited Partners will have no right to compel the Collateral Manager to take or refrain from taking any actions or decisions, and the actions or decisions taken by the Collateral Manager may expose the Limited Partners to losses on a Credit Fund's interest in the Securitization Vehicle.

The investment decisions of the Collateral Manager will be based primarily upon economic, not tax, considerations, and could result, from time to time, in adverse tax consequences to the relevant Credit Fund. There can be no assurance that any investment decision made by the Collateral Manager will be tax-efficient for any particular Limited Partner.

In addition, rights to consent to amendments to the Governing Documents of Securitization Vehicles and to remove or replace the Collateral Manager and enforce other rights and remedies after events of default will be shared among, or require the consent of, multiple classes and may be controlled by the more senior classes of the Securitization Vehicle's securities. Thus, even if a Credit Fund directly or indirectly holds a majority or all of the Securitization Vehicle Equity and other subordinated securities of the Securitization Vehicle, it may not be able to enforce any such rights under the Governing Documents of the Securitization Vehicle without the consent of the holders of the Securitization Vehicle's more senior securities.

Equity Investments

The Credit Funds are generally permitted to invest in common and preferred stock and other equity securities (potentially in connection with providing debt financing to issuers of such equity securities). Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other liabilities of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected



by poor economic or market conditions. In addition, these equity securities may be illiquid or trade at significant discounts to otherwise comparable investments. Equity securities may not produce current income for the Credit Funds and may be highly speculative.

Special Situations Investments

The Credit Funds are permitted to provide financing to companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies, and similar transactions. In any investment transaction involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price paid by the relevant Credit Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if such an anticipated transaction does not in fact occur, the relevant Credit Funds may lose all or a material portion of its investment. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Credit Funds may invest, there is a potential risk of loss by the Credit Funds of their entire investment in such companies. In connection with such transactions (or otherwise), the Credit Funds may purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization, or debt restructuring. The purchase price and/or interest rate receivable with respect to a when-issued security are fixed when a Credit Fund enters into the commitment. Such securities are subject to a change in value prior to their delivery.

Investments in Undervalued Assets

The Credit Funds may invest in assets Vista believes are undervalued as part of their investment strategy. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial or complete losses. Returns generated from the Credit Funds' investments may not adequately compensate Investors for the business and financial risks assumed. The Credit Funds may be forced to sell at a substantial loss, assets that are not, in fact, undervalued. In addition, the Credit Fund may be required to hold such assets for a substantial period of time before realizing their anticipated value and, there is no assurance that the value of the assets would not decline further during such time. Moreover, during this period, a portion of the Credit Funds' funds would be committed to the assets purchased, thus possibly preventing the Credit Funds from investing in other opportunities.

Nonpayment of Principal and Interest; Adequacy of Collateral

The Credit Funds' investments are subject to the risk of nonpayment of scheduled interest or principal by the borrowers with respect to such investments. Such nonpayment would likely result in a reduction of income to the Credit Funds and a reduction in the value of the senior secured loans experiencing nonpayment. Although the Credit Funds may invest in portfolio companies that the General Partner believes are secured by specific collateral the value of which typically exceeds the principal amount of the investment at the time of initial investment, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the



event of nonpayment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated.

Default Rates of Loans and High-Yield Securities

The Credit Funds are permitted to invest in high-yield loans and other securities. The historical performance of the high-yield market or the leveraged loan market is not necessarily indicative of its future performance, and the numerous methods for calculating default rates leave a significant amount of uncertainty in the potential profitability of the Credit Funds' investment in such instruments. Should increases in default rates occur with respect to the securities in which the Credit Funds invests, the actual default rates of the securities held by the Credit Funds may exceed those of the calculation methodology used by the General Partner in determining to purchase such securities, resulting in substantial losses to the Credit Funds.

Limited Amortization Requirements

The Credit Funds are permitted to invest in loans that have limited mandatory amortization requirements. While these loans may obligate a portfolio company to repay the loan out of asset sale proceeds or with annual excess cash flow, repayment requirements may be subject to substantial carveouts that would allow a portfolio company to retain such asset sale proceeds or cash flow, thereby extending the expected weighted average life of the investment. In addition, a low level of amortization of any debt over the life of the investment may increase the risk that an issuer will not be able to repay or refinance the loans held by the Credit Funds when it matures.

Unlisted Nature of Investments

Unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for loans or fixed-income instruments to trade. Loans and fixed-income instruments generally trade on an "over-the-counter" market, which may be any location where the buyer and seller can settle a price. Due to the lack of centralized information and trading, the valuation of such instruments may carry more risk than publicly traded common stock. Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models and processes may lead to inaccurate asset pricing. In addition, other market participants may value securities differently than Vista does. As a result, the Credit Funds may be subject to the risk that when an investment is disposed or realized, the amount received is less than its carrying book value.

Time Required for Maturity of Investments

Certain investments may have maturities longer than the maturity of the Credit Funds. Furthermore, the Credit Funds may, in connection with collateral held by the respective Credit Fund acquire nonmarketable common or preferred equity securities and other illiquid assets with equity participation features, which, to the extent that they have value at all, will likely not have realizable value for a significant period of time. Accordingly, it is unlikely that significant distributions to Limited Partners will occur for a number of years from the date of the applicable capital contributions, and certain investments may be disposed of upon dissolution of the Credit Funds for less than their potential value.



Participation on Creditors' Committees

The Credit Funds may serve on committees formed by creditors ("Creditors' Committees") to negotiate with the equity owners or management of financially troubled companies that may or may not be in bankruptcy. The Credit Funds may also seek to negotiate directly with debtors with respect to restructuring issues. Even if a Credit Fund chooses to join a Creditors' Committee, there can be no assurance that the Credit Fund would be successful in obtaining results favorable to it in such proceedings, and the Credit Fund may incur significant legal fees and/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 a Credit Fund's service on such Creditors' Committees, a Credit Fund may be deemed to have duties to other creditors represented by the Creditors' Committees, which might thereby expose a Credit Fund to liability to such other creditors who disagree with the Credit Fund's actions.

The General Partner or the Credit Funds' key personnel, on behalf of the Credit Funds, may elect to serve on Creditors' Committees or other groups to ensure preservation or enhancement of a Credit Fund's position and recovery 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 the General Partner 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 the General Partner's service on the Creditors' Committee or group. Additionally, if a Credit Fund is represented on a Creditors' Committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in the subject company while it continues to be represented on such Creditors' Committee or group.

Warehousing and Syndication of Investments

In order to facilitate one or more investments, the General Partner, the Credit Funds and/or other Vista entities are permitted to make (or commit to make) such investment(s) with a view to selling a portion of such investment to co-investors or other persons (including other Vista entities or potential other Vista entities) in the future. Where a Credit Fund does so, such investments will be sold at the cost in which the Fund invested in the investment, unless the General Partner has reason to believe (in its sole discretion) that such value should be adjusted to account for their fair market value. Given the nature of credit investments, a determination of fair market value may often times be the same as the cost value at which the Credit Fund purchased the investment. The General Partner shall also determine (in its sole discretion) what fees and/or compensation, if any, the Credit Fund will receive in connection with holding an investment for a period of time. Such fees and/or compensation may include, but is not limited to, such Credit Fund retaining all or a portion of the accrued interest or other income and fees attributable to the portion of such investment until such sale or transfer. The fees or compensation payable in respect of a sale to a Vista entity may be lower than the fees or compensation the General Partner could achieve if sold to a third party, either due to the Governing Documents of such Vista entity or regulatory obligations applicable to the General Partner and its affiliates when engaging in a transaction of this nature. If a Credit Fund makes such an investment, the Credit Fund will bear the risk that any or all of the excess portion of such investment may not be sold or financed or may only be sold or financed on unattractive terms and that, as a consequence, the Credit Fund may bear the entire portion of any fees, costs and expenses related to such investment, hold a larger than expected investment or may realize lower than expected returns from such investment. The General Partner endeavors to address such risks by seeking to have such investments be in the best interests of the Credit Fund, regardless of whether any sell-down or financing ultimately occurs.



To the extent such transaction constitutes a principal transaction or a cross-fund transaction, the General Partner will obtain the necessary consents required. See “Risk Factors - Principal Transactions” and “Risk Factors - Cross Trades with Vista Clients” for more information.

Additionally, in order to facilitate an investment, Vista is permitted to purchase a portion of an investment in which a Credit Fund is investing with a view to selling such investment to a Vista entity or potential Vista entity. Such investment by Vista will not generally be made until all eligible Credit Funds have been allocated a portion of such investment pursuant to Vista’s policies and procedures regarding allocation, which may be amended from time to time (“Allocation Policy”). It is possible that Vista may not ultimately be able to sell or transfer such investment to a Vista entity or potential Vista entity, which may result in Vista holding the investment longer than expected as a co-investment with the Credit Funds or Vista selling the investment to a third party prior to a sale by the Credit Funds, which sale or transfer may be on unattractive terms that could negatively impact the value of such investment.

In order to facilitate one or more investments, the General Partner, the Credit Funds and/or other Vista entities may make (or commit to make) such investment(s) with a view to selling a portion of such investment(s) to co-investors or other persons (including other Vista entities or potential other Vista entities) in the future. Where the Credit Funds do so, such investments will generally be sold at the cost in which the Credit Funds invested in the investment, unless the General Partner has reason to believe (in its sole discretion) that such value should be adjusted to account for fair market value. For the avoidance of doubt, all accrued interest and other income attributable to such warehoused investments from their inception until such sale or transfer, including, but not limited to, any interest payments, fees or coupon payments will be retained for the benefit of the Credit Funds. If the Credit Funds make such an investment, the Credit Funds will bear the risk that any or all of the excess portion of such investment may not be sold or financed or may only be sold or financed on unattractive terms and that, as a consequence, the Credit Funds may bear the entire portion of any fees, costs and expenses related to such investment, hold a larger than expected investment or may realize lower than expected returns from such investment. The General Partner endeavors to address such risks by seeking to have such investments be in the best interests of the Credit Funds, regardless of whether any sell-down or financing ultimately occurs.

Inability to Vote Certain Positions

As a result of voting agreements or other arrangements relating to certain obligors and the investments held by the Credit Funds, a Credit Fund may be subject to restrictions on its ability to vote or take other actions with respect to certain obligors and/or investments. In such situations, the General Partner may not be able to vote or take other actions with respect to investments in the manner that it otherwise would believe to be in the best interests of the Credit Fund.

Impact of Leverage

Investments by the Credit Funds are expected to include obligors whose capital structures may have significant leverage. These investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of these investments will increase the exposure of such obligors to adverse economic factors such as downturns in the economy or deterioration in the condition of the obligor or its industry.

Certain Credit Funds intend to use leverage by incurring liabilities to finance a portion of their investments under one or more leverage facilities. Such leverage facilities may be incurred



directly or indirectly, including through subscription facilities or financing subsidiaries of the Credit Funds, respectively. They may take the form of, without limitation, products issued by Securitization Vehicles, as described herein, and other financial instruments described herein, such as derivative instruments that are inherently leveraged. A Credit Fund's use of leverage generally magnifies both its opportunities for higher returns and its risk of loss from a particular investment. Accordingly, any event that adversely affects the value of an investment by a Credit Fund would be magnified to the extent leverage is used. The cumulative effect of the use of leverage by a Credit Fund in a market that moves adversely to the investments could result in a loss to the Credit Fund that would be greater than if leverage had not been used. 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, among other factors), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. To the extent that a Credit Fund engages in any leveraging, it will be subject to the risks normally associated with debt financing, including the insufficiency of cash flow to meet principal and interest payments. Leveraging the capital structure will mean that third parties, such as banks, may be entitled to the cash flow generated by such investments prior to the Credit Fund receiving a return. The use of a leverage facility by the Credit Fund will also result in interest expenses, fees and other costs to the Credit Fund that may not be covered by interest payments and fees generated by the Credit Fund from its investments. The use of leverage may impose restrictive financial and operating covenants on the Credit Fund, in addition to the burden of debt service, and may impair the Credit Fund's ability to operate its business as desired and/or finance future capital needs. The use of leverage may magnify the volatility of changes in the value of Investments. To the extent that the Credit Fund cannot source leverage on attractive terms or does not otherwise employ long-term leverage (or employs less leverage than originally anticipated), the Credit Fund's investment returns may be lower than those that might have been achieved using long-term leverage.

Non-U.S. Credit-Related Investments

The Credit Funds may make investments in securities issued by portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, differences in the legal and regulatory environment (including enhanced legal and regulatory compliance), the risks associated with fluctuating currency exchange rates (including risks associated with potentially rapid inflation), exposure to fluctuations in interest rates payable with respect to the instruments in which the Credit Funds invest, certain economic, social and political risks, including capital repatriation regulations (as such regulations may be given effect during the term of the Credit Funds), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Credit Funds and/or the partners with respect to the Credit Funds' income, and possible non-U.S. tax return filing requirements for the Credit Funds and/or the partners.

Additional risks of non-U.S. Investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; (g) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (h) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (i) differences between the U.S. and non-U.S. credit and securities markets (including potential price volatility in, and relative illiquidity of,



certain non-U.S. credit and securities markets); (j) political hostility to investments by foreign or private debt investors; and (k) nationalization and expropriation of private assets. Moreover, non-U.S. companies or companies with substantial sales or operations outside of the United States may not be subject to uniform accounting, auditing and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies.

National Association of Insurance Commissioners' Proposal on Risk Assessment of CLOs

On May 25, 2022, the Valuation of Securities (E) Task Force of the National Association of Insurance Commissioners proposed changes to the calculation of risk-based capital charges assessed on CLO securities held by insurance companies by using in-house risk weights as opposed to credit ratings to determine how much capital insurance companies must hold (the "NAIC Proposal") and the comment period ended January 27, 2023. Although many details of the NAIC Proposal remain unclear, if the NAIC Proposal is adopted it could result in a material increase in the amount of capital that insurance companies must hold in relation to their CLO investments, particularly for CLO mezzanine and equity securities. In addition to the potential adverse effect of such a change on insurance companies holding notes, other investors in the notes issued by a Credit Fund could be adversely affected if the change were to reduce the secondary market liquidity of CLO securities such as notes issued by a Credit Fund.

Future Actions of the Rating Agencies Can Adversely Affect the Market Value or Liquidity of the Notes Issued by a Credit Fund

Rating agencies may change published ratings criteria or methodologies for securities such as the notes issued by a Credit Fund at any time in the future. Furthermore, rating agencies may retroactively apply any such new standards to the ratings of the such notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any notes, despite the fact that such note might still be performing fully to the specifications set forth for such note in its offering circular or other transaction documents. The rating assigned to any note may also be lowered following the occurrence of an event or circumstance despite the fact that rating agencies previously provided Rating Agency Confirmation with respect to such note. In addition, the rating agencies may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any notes. If any rating initially assigned to a note is subsequently lowered or withdrawn for any reason, holders of the notes may not be able to resell their notes without a substantial discount. Any reduction or withdrawal to the ratings on a note may significantly reduce the liquidity thereof and may adversely affect the relevant Credit Fund's ability to make certain changes to the composition of the assets backing such note.

In addition to the ratings assigned to notes, the Issuer will be utilizing ratings assigned by the rating agencies to obligors of individual collateral obligations. Such ratings will primarily be publicly available ratings. There can be no assurance that the rating agencies will continue to assign such ratings utilizing the same methods and standards utilized today despite the fact that such collateral obligation might still be performing fully to the specifications set forth in its underlying instrument. Any change in such methods and standards could cause the relevant Credit Fund to fail to satisfy the certain requirements with respect to the notes, leading to early amortization of some or all of one or more notes issued by such Credit Fund.

The rating agencies may revise or withdraw its ratings of notes as a result of a failure by the responsible party to provide it with information requested by the rating agencies or comply with any of its obligations contained in the engagement letter with each Rating Agency, including the posting of information provided to the rating agencies to the 17g-5 Website, which will be accessible by rating agencies that were not hired in connection with the issuance of notes. Any



such revision or withdrawal of a rating as a result of such a failure might adversely affect the value of the notes and, for regulated entities, could affect the status of notes as a legal investment or the capital treatment of the notes.

Concentration Risk

Certain Credit Funds will invest in a portfolio of collateral underlying a note consisting of assignments of or participation interests in loans. Although no significant concentration with respect to any particular obligor, industry or country (other than the United States) is expected to exist for such notes, such concentration can increase over time as underlying collateral matures or is sold, the concentration of the portfolio in any one obligor would subject the notes whose payment streams are based on such collateral to a greater degree of risk with respect to defaults by such obligor, and the concentration of the portfolio in any one industry would subject such notes to a greater degree of risk with respect to economic downturns relating to such industry.

Certain Contractual Restrictions May Impede Vista's Ability to Manage the Collateral Underlying a Note

Transaction documents and note offering documents, in certain circumstances, place significant restrictions on Vista's ability to advise a Credit Fund to buy and sell collateral underlying notes, and Vista is required to comply with the restrictions contained in such transaction documents and note offering documents. As a result of such restrictions, during certain periods or in certain specified circumstances, Vista may be unable to buy or sell collateral underlying a note or to take other actions which Vista might consider to be in the interests of the Credit Fund that issued the notes and the holders of such notes, and Vista may be required to make investment decisions on behalf of the Issuer that are different from those made for its other clients. In addition, Vista may pursue any strategy that is consistent with the transaction documents and note offering documents, and there can be no assurance that such strategy will not change from time to time in the future, in each case, in its sole discretion.

Valuation of Investments

Vista and/or its affiliates may invest, on a direct or an indirect basis, in junior interests of notes issued by a Credit Fund. For purposes of valuing Vista's assets such interests will not generally be consolidated with those of Vista. Vista or the relevant Credit Fund (or its relevant affiliate) will not separately value the junior interests held by Vista, such as subordinated notes. The valuation method employed by Vista, as applied to this transaction, may differ substantially from the valuation method used to determine the fair value of such subordinated notes.

Fee Structure for Credit Funds Issuing CLOs May Create Different Incentives for Vista

In certain circumstances, Vista a subordinated management fee with respect to certain CLOs. This fee structure could create a further incentive for Vista to make more speculative investments in collateral underlying a note than the issuing Credit Fund would otherwise make in order to increase the yield on such collateral and the likelihood that the holders of the subordinated notes will realize any applicable annualized internal rate of return sufficient for Vista to be entitled to be paid an incentive fee for managing the portfolio of collateral underlying a note with the objective of increasing the yield on such collateral, even though Vista is constrained by the various investment restrictions contained in the notes offering documents, could result in an increase in defaults or volatility and could contribute to a decline in the aggregate market value of the collateral underlying a note.



Hedge Fund Risks

Limited Operating History / Different Series

Each Hedge Fund has a limited operating history. The results of other investment funds formed, and accounts managed by Vista or the members of Vista currently or in the past, which have or have had an investment program that is different from or similar to the investment program of the Hedge Fund, are not indicative of the results that the Hedge Fund may achieve. The Hedge Fund offers multiple series of interests that are identical to each other, with the exception of the incentive allocations and the applicable liquidity terms.

Turnover

Each Hedge Fund is permitted to invest on the basis of certain short-term market considerations. The turnover rate within the Hedge Fund may be significant, potentially involving substantial brokerage commissions, fees, and other transaction costs.

Possible Effect of Withdrawals

Investors may withdraw capital from their respective capital accounts in accordance with the terms of the relevant Governing Documents. To the extent that one or more other funds or accounts managed by Vista may also be invested in the same or related positions as the Hedge Funds, and Investors in such funds or accounts may also withdraw or redeem their investments in such funds or accounts, a significant redemption or withdrawal from the Hedge Funds or such other fund or account could require the Hedge Funds or such other fund or account to liquidate investments more rapidly than otherwise desirable to raise the necessary cash to fund the redemptions or withdrawals and to achieve an investment allocation appropriately reflecting a smaller portfolio. This may adversely impact the market prices of any remaining positions in the applicable Hedge Fund's portfolio and may also cause a temporary imbalance in the Hedge Fund's portfolio, either of which is likely to adversely affect the remaining Investors.

Special Investment Risk

Participating Investors' indirect participation in "special investments" may expose them to different or possibly greater risks than Investors who elect not to participate in "special investments." In particular, the circumstances that may lead an existing investment to be designated as a "special investment" will generally coincide with an increased level of risk, whether related to decreased liquidity or any other extraordinary condition. In the event that an existing investment is designated as a "special investment," only Investors electing to participate will participate in such investment following its designation as a "special investment" and be exposed to any related increased level of risk associated with such investment. Similarly, Investors who have elected not to participate in "special investments" at such time will experience neither the risk nor the potential benefit of participation in such "special investment." Because participating Investors and nonparticipating Investors will be exposed to different risks, it is probable that participating Investors' returns will differ, perhaps materially, from the returns experienced by nonparticipating Investors. Although participation in "special investments" generally would be expected to increase both an Investor's risk of loss and its possibility of return, it is not possible to predict whether participation or nonparticipation will be more beneficial to any investor.



Credit Facilities

The Hedge Funds are also permitted to utilize credit facilities to fund withdrawals or subscriptions receivable, for portfolio management purposes or for the implementation of certain investments. Should such credit facilities be utilized, the Hedge Funds would be subject to greater risk than if it did not utilize such credit facilities. Moreover, the Hedge Funds would incur additional interest and other expenses with respect to such facilities. If any such credit facility provider were to accept the Hedge Funds' assets as collateral and were to require the Hedge Funds to sell or liquidate assets or otherwise act to realize on such collateral, these actions may impair the operational capabilities of the Hedge Funds and have adverse tax and economic effects on the Hedge Funds.

Institutional Risk

Institutions, such as brokerage firms, banks, or limited partnerships, generally will have custody of the assets of the Hedge Funds. Often these assets are not registered in the name of the Hedge Funds. Bankruptcy, fraud, or poor capitalization at one of these institutions could impair the operational capabilities or the capital position of the Hedge Funds.

Mutual Funds and ETFs

The Hedge Funds are permitted to invest in Mutual Funds and ETFs. Mutual funds and ETFs purchase and sell securities, such as stocks, commodities, and bonds (or have exposures to such securities through swaps and other derivative instruments). Some of the mutual funds and ETFs that may be purchased for a Hedge Fund's portfolio may concentrate heavily in a particular asset category or sector. These categories could include, among others, sector funds, blue chip stock funds, small capitalization stock funds, growth funds, bond funds and international funds; such funds may specialize even further on the basis of country or region of the world and engage in the use of leverage and short selling. Investors in mutual funds and ETFs generally bear all of their expenses, including fees of the investment adviser and custodian, brokerage commissions and legal and accounting fees. As a result, Investors will indirectly bear two levels of advisory compensation – the Management Fee and the Incentive Allocation to Vista and the advisory fee charged by the investment adviser of any mutual funds and ETFs in a Hedge Fund's portfolio. The foregoing fees and expenses may be expected to result in a higher cost of investment than would be the case if Investors were to invest directly in the mutual funds and ETFs in which the Hedge Funds invest. As a result, the returns realized by Investors will be lower, all else being equal, than the returns Investors would realize from engaging in the same activities directly.

Derivatives-Related Risks

The Hedge Funds are permitted to invest in complex derivative instruments that seek to modify or replace the investment performance of particular securities, commodities, currencies, interest rates, indices, or markets 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 Hedge Funds. 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 very high leverage embedded in them that can substantially magnify market movements and result in losses greater than the amount of the investment.



Short Selling

Certain Hedge Funds are permitted to engage in short selling as part of its investment strategies. A short sale by such Hedge Fund involves the sale of a security that the Hedge Fund does not own in the hope of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Hedge Fund must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. A Hedge Fund 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 Hedge Fund 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.

Repurchase Agreements

The Hedge Funds are permitted to enter into repurchase agreements, by which they buy a security and simultaneously agree to sell it back later at a predetermined price, or in reverse repurchase agreements, by which the Hedge Funds sell a security and simultaneously agree to buy it back later at a predetermined price. The repurchase date is usually within seven days after initiating the agreement. If the other party to the repurchase agreement or reverse repurchase agreement becomes insolvent or bankrupt, the Hedge Funds could experience losses due to insufficient collateralization or due to delays and costs of liquidating the collateral or recovering the securities or payment for the securities. If, in the meantime, the value of the securities changes, the Hedge Funds could experience further losses. Repurchase and reverse repurchase agreements can have effects similar to margin trading and other leveraging strategies.

Currency Exchange Exposure

The Hedge Funds are permitted to make investments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. The Hedge Funds, however, value their investments in U.S. dollars. The Hedge Funds may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts, and cross-currency swaps. There can be no guarantee that investments suitable for hedging currency or market shifts will be available at the time when a Hedge Fund wishes to use them, or that hedging techniques employed by a Hedge Fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

To the extent unhedged, the value of the Hedge Funds' positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which the Hedge Funds make investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Hedge Funds' investments in their local markets and may result in a loss to the Hedge Funds. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Hedge Funds' non-U.S. dollar investments.

Securities Lending

The Hedge Funds are permitted to lend securities to brokers and other institutions to earn additional income. These loans typically are fully collateralized on a daily basis, but the value of



the collateral may fall below the value of the loaned securities on any given day. If the other party becomes insolvent or bankrupt, a Hedge Fund could experience losses due to insufficient collateralization or due to delays and costs of liquidating the collateral or recovering the securities or payment for the securities. If, in the meantime, the value of the securities changes, the Hedge Fund could experience further losses.

Convertible Securities

The Hedge Funds are permitted to invest in convertible securities. Convertible securities are preferred stocks or debt obligations that are convertible into common stock. Generally, convertible securities offer lower interest or dividend yields than nonconvertible securities of similar quality and less potential for gains or capital appreciation in a rising stock market than other equity securities. Convertible securities tend to be more volatile than other fixed income securities, and the markets for convertible securities may be less liquid than markets for common stocks or bonds. Convertible securities have both equity and fixed income risk characteristics. Like fixed income securities, the value of convertible securities is susceptible to the risk of market losses attributable to changes in interest rates. The market value of convertible securities tends to decline as interest rates increase. If, however, the market price of the common stock underlying a convertible security approaches or exceeds the conversion price of the convertible security, the convertible security tends to reflect the market price of the underlying common stock. In such a case, a convertible security may lose much or all of its value if the value of the underlying common stock then falls below the conversion price of the security. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly based on its fixed income characteristics, and thus, may not necessarily decline in price as much as the underlying common stock. Additionally, an issuer may have the right to buy back certain of the convertible securities at a time and price that is unfavorable to the Hedge Funds.

Fixed Income Securities

The Hedge Funds are permitted to invest in fixed income securities of U.S. and non-U.S. issuers, 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 Hedge 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 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).

Low Quality Credit

There is no minimum credit standard that is a prerequisite to the Hedge Funds' investment in any security. The Hedge Funds are permitted to 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 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 Hedge Funds of the security in respect to which such distribution was made.

Other Hedging Strategies

The Hedge Funds 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 its investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Hedge Funds' unrealized gains in the value of its 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 its portfolio; (vi) hedge the interest rate or currency exchange rate on any of its liabilities or assets; (vii) protect against any increase in the price of any securities the Hedge Funds anticipate purchasing at a later date; or (viii) for any other reason that Vista deems appropriate.

Vista is not required to attempt to hedge portfolio positions in the Hedge Funds and, for various reasons, may determine not to do so. Furthermore, Vista may not anticipate a particular risk so as to hedge against it. While the Hedge Funds may enter into hedging transactions in seeking to reduce risk, such transactions may result in a poorer overall performance for the Hedge Funds than if they had not engaged in any such hedging transaction. For a variety of reasons, Vista may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Hedge Funds from achieving the intended hedge or expose the Hedge Funds to risk of loss. The success of the Hedge Funds' hedging strategy is subject to Vista's ability to correctly assess 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 Hedge Funds' hedging strategy is also subject to Vista's ability to recalculate continually, readjust and execute hedges in an efficient and timely manner. Moreover, it should be noted that the portfolio always is exposed to certain risks that cannot be hedged, such as certain credit risk (relating both to particular securities and counterparties with respect to which credit default swap protection is unavailable), "liquidity" risk and "widening" risk.

Investing in Emerging Growth Companies

The Hedge Funds are permitted to invest in emerging growth companies. These companies are often characterized by short operating histories, new technologies and products, evolving markets, intense competition, and management teams that may have limited experience working together. The products of emerging growth software companies, and of other companies in which the Hedge Funds may invest, may be unproven at commercial scale. Any such company's ability to succeed will be dependent not only upon its ability to develop the right products for the right market, but to constantly evolve its business to be sure that its products keep pace with changing



technologies and markets. Such companies need to implement appropriate sales and marketing, inventory, finance, personnel, and other operational strategies in order to become and remain successful. In addition, emerging growth companies may be more susceptible to macroeconomic effects and industry downturns, including those resulting from acts of terrorism and war.

Communication Services Sector Risk

The Hedge Funds are permitted to make significant investments in the communication services sector. Communication services companies are particularly vulnerable to the potential obsolescence of products and services due to technological advancement and the innovation of competitors. Companies in the communication services sector may also be affected by other competitive pressures, such as pricing competition, as well as research and development costs, substantial capital requirements and government regulation. Additionally, fluctuating domestic and international demand, shifting demographics and often unpredictable changes in consumer tastes can drastically affect a communication services company's profitability. While all companies may be susceptible to network security breaches, certain companies in the communication services sector may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their business.

Telecommunications Sector Risk

The Hedge Funds are permitted to make significant investments in the telecommunications sector. The telecommunications industry is subject to extensive government regulation. The costs of complying with governmental regulations, delays, or failure to receive required regulatory approvals or the enactment of new adverse regulatory requirements may affect the business of the telecommunications companies. The telecommunications industry can also be significantly affected by intense competition, including competition with alternative technologies such as wireless communications, product compatibility, consumer preferences, rapid product obsolescence and research and development of new products. Technological innovations may make the products and services of telecommunications companies obsolete. Other risks include uncertainties resulting from such companies' diversification into new domestic and international businesses, as well as agreements by any such companies linking future rate increases to inflation or other factors not directly related to the actual operating profits of the enterprise.

Additional Government or Market Regulation

Market disruptions and the dramatic increase in the capital allocated to alternative asset management during recent years have led to increased governmental as well as self-regulatory organization scrutiny of the hedge fund industry in general. In addition, certain legislation proposing greater regulation of the industry is periodically considered by Congress, as well as the governing bodies of various jurisdictions. It is impossible to predict what, if any, changes in the laws and regulations applicable to the Hedge Funds, Vista, the General Partner, the markets in which they trade and invest, or the counterparties with which they do business may be instituted in the future. Any such law or regulation could have a material adverse impact on the profit potential of the Hedge Funds, as well as require increased transparency as to the identity of its Investors.



Leverage

While Vista expects that the leverage utilized in the Hedge Funds' investment program will be modest, there are no fixed limits on the amount of leverage that the Hedge Funds may use. To the extent that Vista determines to incorporate leverage in the Hedge Funds' investment program, the Hedge Funds may borrow money and employ other forms of leverage when Vista deems appropriate in seeking to enhance the Hedge Funds' returns, or in order to finance the payment of withdrawal proceeds to withdrawing Investors.

The use of leverage may enable the Hedge Funds to achieve a higher rate of return than would be otherwise possible. Accordingly, the Hedge Funds may employ a modest amount of leverage in order to obtain investment returns. Leverage may take the form of derivative instruments that are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps, futures, and forwards.

The use of leverage will allow the Hedge Funds to borrow in order to make investments, thereby increasing its exposure to assets, such that its total assets are greater than its capital. The use of leverage will magnify the volatility of changes in the value of the investments of the Hedge Funds. The cumulative effect of the use of leverage by the Hedge Funds in a market that moves adversely to its investments could result in substantial losses to the Hedge Funds, which would be greater than if the Hedge Funds were not leveraged.

Reliance on Company Management Teams

The Hedge Funds' investments are generally passive minority investments, in the context of both publicly traded investments and investments designated by Vista as "special investments". Although Vista is responsible for monitoring the performance of each investment and seeks to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully. The success of many such companies is heavily dependent on the management of such companies, which is responsible for their day-to-day operations. There can be no assurance that the management team of a company on the date an investment is made will remain the same or continue to be affiliated with the company throughout the period the investment is held. Further, the business and operations of certain companies may often experience rapid organizational change that may strain the performance of such companies' management teams.

Reliance on Corporate Management and Financial Reporting

Vista generally relies on the financial information made available by the companies in which the Hedge Funds invest. Vista generally does not have the ability to independently verify such financial information, and generally is dependent upon the integrity of both the management of these borrowers and issuers and the financial reporting process in general. Material losses can occur as a result of corporate mismanagement, fraud, and accounting irregularities.

Suspensions of Trading

For securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in certain or all securities that it lists. Such a suspension could render it temporarily impossible for the Hedge Funds to liquidate their positions, and thereby expose the Hedge Funds to losses. In addition, there is no guarantee that nonexchange markets will remain liquid enough for the Hedge Funds to close out positions.



Investments in Privately Held Companies

Certain Hedge Funds also invest (subject to certain limitations in Governing Documents) in securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. For additional details, please refer to “Equity Strategy Risks” above.

Special Purpose Acquisition Companies (“SPACs”)

The Hedge Funds may opportunistically invest in stock, warrants, and other securities or financial instruments (including through private investments in public equity (“PIPEs”) or forward purchase agreements (“FPAs”)) of or relating to SPACs targeting Transactions (as defined below) involving companies operating in the TMT sectors. While the Hedge Funds may selectively invest in specific securities of a particular SPAC, for those SPACs in which Vista has high conviction, the Hedge Funds would expect to invest in a variety of such SPAC’s securities, typically including the stock, warrants, and any subsequent PIPE. Holding multiple investments in the same SPAC would magnify the risk of loss to the Hedge Funds.

A SPAC is typically a publicly traded company that raises investment capital via an initial public offering (an “IPO”) for the purpose of acquiring one or more existing companies (or interests therein) via merger, combination, acquisition, or other similar transactions (each, a “Transaction”). If a SPAC needs additional capital in order to complete a Transaction (e.g., the acquisition cost of its target company exceeds the funds available to the SPAC), it may utilize a PIPE or FPA with a select investor or group of investors. If a Hedge Fund purchases shares of a SPAC in an IPO, it will generally bear a sales commission, which may be significant. The shares of a SPAC are often issued in “units” that include one share of common stock and one right or warrant (or partial right or warrant) conveying the right to purchase additional shares or partial shares. In some cases, the rights and warrants may be separated from the common stock at the election of the holder, after which they may become freely tradeable. After going public and until a Transaction is completed, a SPAC generally invests the proceeds of its IPO (less a portion retained to cover expenses) in U.S. government securities, money market securities and cash. To the extent the SPAC is invested in cash or similar securities, this may impact a Hedge Fund’s ability to meet its investment objective. If a SPAC does not complete a Transaction within a specified period of time after going public, the SPAC is typically dissolved, at which point the invested funds are returned to the SPAC’s shareholders (less certain permitted expenses) and any rights or warrants issued by the SPAC expire worthless. SPACs generally provide their investors with the option of redeeming an investment in the SPAC at or around the time of effecting a Transaction. In some cases, a Hedge Fund may forfeit its right to receive additional warrants or other interests in the SPAC if it redeems its interest in the SPAC in connection with a Transaction.

Because SPACs are essentially blank check companies without operating history or ongoing business other than seeking a Transaction, the value of their securities may be particularly dependent on the quality of their management, particularly their ability to identify and complete a profitable Transaction, which in turn is often highly dependent on the industry reputation and standing of the SPAC sponsor and its affiliates. Some SPACs will pursue Transactions only within certain markets, industries, or regions, which could increase the volatility of an investment in them. In addition, the securities issued by a SPAC, which may be traded in the over-the-counter market, may become illiquid and/or may be subject to restrictions on resale.

Other risks of the Hedge Funds’ investments in SPACs include that a significant portion of the capital raised by the SPAC is expended during the search for a target Transaction; an attractive



Transaction is not identified at all (or any requisite approvals are not obtained) and the SPAC is required to return any remaining capital to shareholders; a Transaction once identified or effected proves unsuccessful and an investment in the SPAC loses value; the warrants or other rights with respect to the SPAC held by the Hedge Funds expire worthless or are repurchased or retired by the SPAC at an unfavorable price; and an investment in a SPAC, including an associated PIPE or FPA, is diluted by additional later offerings of interests in the SPAC or by other investors exercising existing rights to purchase shares of the SPAC, including through a PIPE or FPA.



ITEM 9: DISCIPLINARY INFORMATION

Since June 2016, Vista cooperated with a Department of Justice (“DOJ”) investigation into the tax reporting of Mr. Robert F. Smith. Vista Equity Partners, its Funds, and portfolio companies were not targets or subjects of the investigation. On October 9, 2020, Mr. Smith resolved this personal tax matter with the DOJ and the Internal Revenue Service without charges pursuant to a nonprosecution agreement (“NPA”). In the NPA, Mr. Smith admitted culpability, agreed to pay full restitution to the government, and agreed to continue cooperating with their broader investigation of a larger tax matter. Additional information regarding the NPA can be accessed in the DOJ’s October 15, 2020 press release located at [justice.gov/opa](https://www.justice.gov/opa).



ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described in Item 4 above, Vista organizes and sponsors the Funds, which are private pooled investment vehicles. Each Fund managed by Vista is controlled by an affiliated General Partner. Although Vista provides advisory services to each Fund, the applicable General Partner is responsible for all decisions regarding portfolio transactions of a Fund and has full discretion over the management of such Fund's investment activities.

Vista currently has four affiliated "relying" advisers: Vista Credit Partners, L.P., VFF Management, L.P., VEPF Management, L.P., and VEEF Management, L.P., which file Form ADV together on an umbrella registration in accordance with SEC rules.

In addition, employees and persons acting on behalf of Vista, its affiliated advisers, and the General Partners are subject to the supervision and control of Vista and its Code of Ethics (see Item 11 below) together with its other compliance policies and procedures as adopted pursuant to the requirements of the Investment Advisers Act of 1940 (the "Advisers Act"). For a description of any material conflicts of interest created by the relationship between Vista, its affiliates, and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

Additionally, Mr. Robert Smith, the Chairman and Chief Executive Officer of Vista and certain of his family members are associated with, and Mr. Smith currently serves as Chairman of PrivilEdge Capital SA ("PrivilEdge"). From time to time, Vista has and may in the future engage PrivilEdge to place the securities of its Funds with non-U.S. Investors. Any fees and expenses payable to PrivilEdge in connection with such placement will be borne by Vista indirectly through an offset against the Management Fee. Any such fees and expenses will generally be attributed only to the specific Investors brought in by PrivilEdge and will have no impact on any other Investors.

Vista's Hong Kong affiliate, Vista Equity Partners Management (Hong Kong) Limited, is licensed by the Hong Kong Securities and Futures Commission for Type 1 (dealing in securities) regulated activity.

Vista Equity Partners Management Limited, an affiliated entity incorporated in England & Wales, is appointed as an appointed representative of a third-party for purposes of Section 39 of United Kingdom Financial Services and Markets Act 2000.



ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

Code of Ethics

Vista has adopted a written Code of Ethics (the “Code”) that is applicable to its partners, officers, employees, and other personnel of Vista as well as officers, employees, and other personnel of its affiliates and certain independent contractors (collectively, “Adviser Personnel”), pursuant to Rule 204A-1 of the Advisers Act. The Code is designed to establish guidelines for professional conduct, monitor Adviser Personnel’s personal securities transactions including certain pre-clearance and reporting obligations, and identify and mitigate conflicts of interest with Vista’s clients. The Code includes rules of conduct, policies, and procedures to prevent the misuse of material nonpublic information in Vista’s possession, and personal trading policies. Vista’s internal review, including quarterly and annual reporting requirements, and defined rules of business conduct are all intended to prevent or detect potential conflicts of interest.

The Code subjects Adviser Personnel to restrictions on activities and securities trading and requires reporting of information on personal trading activities. Pursuant to the Code, Adviser Personnel are required to file certain periodic reports with Vista as required by Rule 204A-1 under the Advisers Act including initial, and thereafter, annual, holdings reports as well as quarterly transaction reports or equivalent brokerage statements, detailing the securities held, purchased, or sold during the relevant period. Adviser Personnel must pre-clear securities trades, subject to certain exceptions, to allow Vista to adequately identify and address conflicts of interest in a timely manner and prevent the misuse of material nonpublic information.

As indicated in Item 5 above, Vista and certain employees or officers invest in and alongside the Funds, either through the General Partner, as direct Investors in the Funds, through pooled investment vehicles assembled for employee transactions, or otherwise. A Fund or its General Partner, as applicable, generally reduces all or a portion of the Management Fee and performance-based fees related to investments held by such persons. For further information regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Vista and its affiliated persons will come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell, or hold a security, as discussed below. Under applicable law, Vista and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is an Investor with Vista. Accordingly, should Vista or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Vista would be prohibited from communicating such information, and Vista will have no responsibility or liability for failing to disclose such information to a Fund and/or investors as a result of following its policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Adviser Personnel serving as directors of public companies and may restrict trading on behalf of the Funds.

Adviser Personnel who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension, or dismissal. Adviser Personnel are



also required to promptly report any violation of the Code of which they become aware. Adviser Personnel are required to annually certify compliance with the Code.

Vista will make the Code available to any client or prospective client upon request by contacting Vista's Chief Compliance Officer ("CCO"), Gwen Reinke, by phone at (415) 765-6500 or by email at greinke@vistaequitypartners.com.

Conflicts of Interest

Vista and its affiliates engage in a broad range of activities, including investment activities for their own accounts and other Funds, and providing transaction-related, investment advisory, management, VCT (including VCG and One Vista) consulting services, and other services to the Funds, SPACs, portfolio companies and prospective portfolio companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time, conflict with the interests of Vista, other Funds, co-investment vehicles, or their respective affiliates. There can be no assurance that Vista will resolve all conflicts of interest in a manner that is favorable to a Fund and its Investors.

Vista and its affiliates have related advisers that focus on differing investment strategies, although such investment strategies and related Funds may overlap from time to time. In the ordinary course of conducting its activities, the interests may conflict with the interests of Vista, its affiliates, Funds of related strategies, and Funds of unrelated strategies. A description of certain conflicts of interest, as well a description of how Vista addresses such conflicts of interest is below.

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for discussion of other conflicts.

Resolution of Conflicts

Vista and its affiliates will address all conflicts of interest using their reasonable judgment, but in any case, in their sole discretion. In resolving conflicts, Vista and its affiliates may consider various factors, including the interests of the Funds it advises in the context of both the immediate issue at hand and the longer-term course of dealing among Funds. When conflicts arise between Funds, Vista will seek to mitigate or resolve the conflict. In the case of all conflicts involving a Fund, determination as to which factors are relevant, and the resolution of such conflicts, will be made in Vista's sole discretion. There can be no assurance that Vista will resolve all conflicts of interest in a manner that is favorable to a particular Fund.

The following factors may alleviate, but will not eliminate, conflicts of interest:

- A Fund will not make any investment unless Vista believes that such investment is an appropriate investment considered from the viewpoint of such Fund;
- Many important conflicts of interest may be resolved pursuant to set procedures, restrictions, or other provisions contained in the relevant Governing Documents;
- The Equity Funds', Perennial Fund's, and Credit Funds' Governing Documents require these Funds to establish an advisory committee ("Advisory Committee"). The Hedge Funds are required to appoint an Advisory Committee comprised of three members



selected in the General Partner's sole discretion and at least a majority of whom will be unaffiliated with Vista where approval is required before the General Partner may take or make certain specified actions or determinations. The Hedge Funds may also establish an investor committee ("Investor Committee") consisting of representatives appointed by Investors and Limited Partners of the Hedge Funds. The Advisory Committees and Investor Committee will provide such advice and counsel as is requested by the relevant General Partner in connection with the relevant Fund's investments, potential conflicts of interest (including potential conflicts the General Partner is required to present to the Advisory Committee or Investor Committee pursuant to the respective Fund's Governing Documents), and other Fund matters. The Advisory Committees meet periodically as required to consult with Vista;

- Where Vista deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of a consultant or an investment banker to opine as to the fairness or "arm's-length" nature of a purchase or sales price;
- Vista has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and
- Prior to subscribing for interests in a Fund, each Investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund, as detailed within the respective Fund's Governing Documents.

In addition, certain provisions of a Fund's Governing Documents are designed to protect the interests of Investors in certain situations where conflicts may exist, although these provisions do not eliminate such conflicts. While Vista endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions.

Principal Transactions

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and clients thereof, on the other hand. The Advisers Act generally requires that, when an investment adviser or an affiliate of the adviser proposes to purchase a security from, or to sell a security to, an advisory client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction.

Vista will, from time to time, engage in principal transactions, including certain warehousing transactions. In the event of a principal transaction, Vista intends to obtain the consent of the participating Fund's Advisory Committee or Investor Committee, unless a Governing Document and applicable rules and regulations allow for or prescribes a different course of action.

Cross Trades with Vista Clients

Vista has caused and is permitted in the future to cause (directly or indirectly), a Fund to purchase securities from or sell securities and investments to other Funds or vehicles managed by Vista or cause a portfolio company of one Fund to merge with a portfolio company of another Fund, when Vista believes such transactions are appropriate and in the best interests of the Funds. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or Vista might have



an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. 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. Additionally, in connection with such transactions, Vista, its affiliates, and/or their professionals (i) have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). Vista and its affiliates receive Management Fees or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds. In the event Vista wishes to reduce the investment of one or more such Funds in an instrument and increase the investment of other Funds in such instrument, it may affect such transactions by directing the transfer of the instrument between Funds. Any incremental costs and expenses associated with any such investment generally will be borne by such Funds on a pro rata basis.

To address these conflicts of interest, in connection with effecting such transactions, Vista will follow investment allocation requirements of the relevant Funds (e.g., the Governing Documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those Governing Documents so that these Funds' resulting ownership of investments are generally proportionate to the relative capital commitments of the Funds) and Vista's written policies and procedures regarding allocation. Vista's Chief Legal Officer or CCO will be responsible for confirming that Vista (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms; and (iii) obtains any required approvals of the transaction's terms and conditions. In addition, the General Partners reserve 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 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 Vista). However, the General Partner does not always expect to obtain such an opinion or consent. The General Partner also may determine that the willingness of a third party to make an investment on substantially the same economic terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions.

Further, Funds nearing the end of their term are expected from time to time to sell their interest in commonly held investments to other Funds with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of the General Partner are assigned varying percentages of Carried Interest from Funds in the same investment, or if economic terms, performance and/or the potential for Carried Interest vary between Funds, particularly when one Fund sells its portion of such investment to another Fund, which could cause a portion of such Carried Interest to become "crystallized." The General Partner intends to conduct such transactions in a manner that the General Partner believes to be fair and equitable to each Fund under the circumstances over time, including a consideration of the potential present and future benefits with respect to each fund.

In certain cases, Vista may determine that it would be in the best interest of a Fund to provide an opportunity for investors to obtain liquidity for all or a portion of their interests prior to the end of the Fund's term. In such situations, Vista is permitted to seek to raise capital from third parties who wish to directly or indirectly acquire interests in one or more portfolio companies from the



Fund, including through the creation of a new fund or similar continuation vehicle. In such cases, Vista is permitted to seek to require the purchasers to make commitments to a successor fund and/or its parallel funds advised by Vista. Because Vista and/or its affiliates will have the opportunity to earn additional management fees and/or receive additional carried interest and other economic benefits in respect of such transactions, and because each purchaser's commitment to acquire interests in a successor fund and/or its parallel funds could be conditioned upon completion of the transaction, Vista will have a potential conflict of interest in determining transaction terms and participants.

Liquidity Transactions

The General Partners of certain Funds are authorized to seek to create liquidity for the Limited Partners in respect of the relevant Fund's portfolio companies at any time, including: (a) by offering each Limited Partner the opportunity to elect to (i) receive a cash distribution in respect of all or part of its underlying interest in the portfolio company, (ii) continue to hold an interest in the portfolio company through a vehicle sponsored by the General Partner or its affiliates (a "Continuation Vehicle") or (iii) increase such Limited Partner's indirect interest in such portfolio companies, in the discretion of the General Partner and to the extent that there is sufficient interest from other Limited Partners in reducing their indirect interests in the portfolio company; or (b) by pursuing any alternative transaction structure which achieves a similar economic result for the relevant Fund's Limited Partners (a "Liquidity Transaction") (also known as "secondary transactions"). In the event a Fund pursues a Liquidity Transaction, the Fund and/or Limited Partners will be expected to bear all costs related to a Liquidity Transaction that is not consummated, and at least a portion of the costs of any Liquidity Transaction that is consummated. In addition, it is possible that Vista or an affiliate forms and manages a dedicated Continuation Vehicle that will buy all or a portion of a Fund's (and other Vista Funds') portfolio investments in a Liquidity Transaction or otherwise.

Liquidity Transactions, including any transaction with a Continuation Vehicle, pose potential conflicts of interest, including the potential conflicts of interest described above in "Cross Trades with Vista Clients" with respect to cross-transactions. Such transactions would generally allow a Fund's General Partner and/or its affiliates to realize carried interest and/or obtain future management fees and carried interest with respect to portfolio investments sold by the Fund to a Continuation Vehicle. There can be no assurance that Limited Partners would obtain their desired amount of liquidity in a sale of a Fund portfolio investment to such Continuation Vehicle or have a "status quo" option to retain an interest such portfolio investment through the Continuation Vehicle on the same terms as their investment in the Fund and/or not be diluted. The terms of any Continuation Vehicle are likely to differ from the relevant Fund including with respect to the holding period of interests in the Continuation Vehicle and in some cases are expected to require a Limited Partner to invest additional capital in the existing Fund and/or other investment vehicles, cause a greater exposure to one or more particular portfolio companies, and/or delay the full liquidation of a Limited Partner's investment. While a Fund's General Partner is permitted, in its discretion and at the cost of the Fund, to seek a third-party fairness opinion or valuation regarding the price paid by a Continuation Vehicle for the Fund's interest in a portfolio investment, it is not required to seek such an opinion and is authorized to rely on a third-party's participation in such transaction and/or Advisory Board approval of such transaction. There also can be no assurance that a third party would not offer a greater price for a portfolio investment than any Continuation Vehicle as Vista will be actively involved in negotiating the terms of the sale on behalf of the selling Fund, on the one hand, and the purchasing Fund, on the other hand (including allocation of expenses incurred in the transaction), and the General Partner is unlikely to identify all potential buyers of such investment, and will not necessarily pursue all potential transaction alternatives.



To the extent a Fund's investment is sold to a Continuation Vehicle capitalized by third parties, and such third parties are required to make commitments to fund investments in the Continuation Vehicle or other investment vehicles in addition to the purchase price paid for any portfolio investment acquired by the Continuation Vehicle, such commitment would generally have a dilutive effect on the price paid for such Fund investments. In circumstances where Vista or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of Limited Partners who elect to sell their interests. To the extent Vista requires existing Limited Partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Vista in addition to the purchase amount paid in a transaction, such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its Limited Partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the Fund investment(s) being sold. 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 Limited Partners in the relevant Fund, and in such circumstances Vista reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain Limited Partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations.

Additionally, conflicts of interest arise in secondary transactions as a result of the allocation of fees and expenses, because fees and expenses will be incurred in connection with the transaction, and Vista might determine to allocate bankers' fees and certain other fees and expenses solely to selling investors and not to the "rolling investors" or "new investors" in the purchasing Fund or vice versa.

Allocation of Investment Opportunities

Subject to any relevant restrictions or other limitations contained in the Funds' Governing Documents, Vista will determine how to allocate investment opportunities (including follow-on opportunities) in a manner it believes in good faith is fair and equitable under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. Certain investment opportunities will be appropriate for multiple Funds. In allocating an investment opportunity among Funds with differing fee, expense, and compensation structures, Vista has an incentive to allocate investment opportunities to the Funds or other vehicles from which Vista or its affiliates may derive, directly or indirectly, a higher fee, compensation, or other benefit. In addition, Adviser personnel will generally participate indirectly in investments made by Funds in which they invest, pro rata, in accordance with their respective capital accounts. The existence of these varying circumstances present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a particular Fund.

In connection with its investment activities, Vista has and may in the future encounter situations in which it must determine how to allocate investment opportunities among various strategies, Funds or vehicles, which may include, but are not limited to, the following:

- The Funds;



- Any parallel investment entities, co-investors, or co-investment vehicles that have been formed to invest side-by-side with one or more Funds (either in all transactions entered into by such Funds or in a limited subset of such investments);
- Any alternative investment vehicles that have been formed to address, for example, specific tax, legal, business, accounting, or regulatory-related matters that may arise in connection with a transaction or transactions;
- Any Funds that have been formed to invest side-by-side with one or more Funds in particular transactions entered into by such Funds or for the purpose of pursuing a specific investment strategy;
- Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Funds; and
- Vista Investors and/or Third Parties acting as “co-sponsors,” “co-underwriters,” or “strategic investors” with Vista with respect to a particular transaction.

The Funds are generally subject to investment allocation requirements that may be set forth in the Governing Documents. Prior to making any allocation of an investment opportunity, Vista generally determines whether it is required to offer an investment opportunity to one or more Funds and/or other parties. To the extent there are applicable investment allocation requirements in a Fund’s Governing Documents, Vista will make allocation decisions in accordance with such requirements, or if unspecified, Vista will utilize discretion in making allocation decisions among the Funds as set forth below.

As a general matter, and subject to the applicable Governing Documents, Vista and its affiliates will allocate investment opportunities between the Funds, strategies and/or other parties in a manner that is consistent with Allocation Policies and procedures established by Vista and its affiliates, which may be amended from time to time, designed to ensure allocations of opportunities are made over time on a basis it determines to be fair and equitable to its clients under the circumstances. As an initial matter, Vista and its affiliates will evaluate key characteristics regarding the target investment, including the enterprise value and operational maturity of the target and/or the nature of the investment (i.e., debt or equity) to determine which Funds are eligible to participate in the opportunity, considering whether such opportunity meets the investment objective, strategy (including due to such target falling within a particular industry vertical or otherwise due to defining characteristics such as ESG or similar considerations applicable to the relevant Funds) and targeted portfolio construction criteria of one or more Funds.

Prior to making any allocation to a Fund of an investment opportunity, Vista, in its discretion, determines what additional factors may restrict or limit the offering of an investment opportunity to one or more Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** Vista may be required to offer an investment opportunity to one or more Funds.
- **Related Investments:** Vista may offer an investment opportunity related to an investment previously made by one or more Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.

- Legal and Regulatory Exclusions: Vista may determine that certain Funds or Investors in such Funds should be excluded from an allocation due to specific legal, regulatory, and contractual restrictions placed on the participation of such Funds or persons in certain types of investment opportunities.

Once the Funds and/or other parties that are eligible to participate in a particular investment opportunity have been identified, Vista, in its discretion, decides how to allocate such investment opportunity among the identified Funds considering some or all of a wide range of factors, which include, but are not necessarily limited to, its own interests and one or more of the following: (i) each Fund's investment strategy and investment objectives; (ii) sourcing of the transaction (and with respect to an investment opportunity originated by a third party, the relationship of a particular Fund to or with such third party); (iii) each Fund's targeted rate of return; (iv) the size and nature of the company (enterprise value) or investment (including whether a Fund is able to commit to invest all capital required to consummate a particular investment opportunity and the stage of development, operational maturity, and anticipated holding period, liquidity, and duration of the investment); (v) the relative amounts of capital available or projected future capacity for investment in the Fund(s) (including whether a Fund is able to invest all capital required to consummate a particular investment opportunity); (vi) the structural and operational differences between Funds (including, without limitation, exposure limits and hedging risks); (vii) minimum, maximum, or target investment size; (viii) applicable investment limitations (including, without limitation, industry, asset class, issuer, volatility and geographic exposure limits, hedging limits, leverage, concentration, diversification considerations, and other similar risk metrics) of the Funds; (ix) the eligibility of the Funds to make such investment under applicable laws and regulations; (x) any other applicable tax, legal, regulatory, contractual compliance, operational, accounting, or administrative issues; (xi) each Fund's liquidity, reserves targeted rate of return and duration; (xii) lender covenants and other limitations; (xiii) composition of each Fund's portfolio; (xiv) suitability as a follow-on investment for a current investment of a Fund or to upsize an existing investment; (xv) the availability of other suitable investments for each Fund; (xvi) risk considerations; (xvii) cash flow considerations; (xviii) any "ramp-up" period of a newly established Fund; (xix) the structural and operational considerations of the Funds (including, without limitation, exposure limits and hedging limits); (xx) whether an investment opportunity requires additional consents or authorizations from a Fund, Investors or third parties; (xxi) whether an investment opportunity would enable a Fund to qualify for certain programmatic benefits or discounts that are not readily available to other Funds including, but not limited to, the ability to enter into credit arrangements with certain financial or governmental institutions; (xxii) likelihood of current income; (xxiii) whether the investment complements an existing portfolio company already owned by a Fund or another Fund (for example, a debt instrument of a portfolio company whose equity is owned by a Fund); (xxiv) the nature of the investment focus of such other Vista Entities (including, without limitation, the size of an investment); (xxv) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals; (xxvi) the use of leverage in the proposed capital structure; (xxvii) the timing expected necessary to execute an investment; and (xxviii) any other requirements, guidelines, or restrictions contained in the Governing Documents of the Funds and other considerations deemed relevant by Vista and/or such affiliates in good faith. There can be no assurance that the application of the factors set forth above will result in a Fund participating in all investment opportunities that fall within its investment objectives. In other circumstances, during the period that a portfolio company is owned by a Fund, it could become a suitable investment for one or more other Funds due to size, revenue or other characteristics. The application of the above allocation requirements and factors will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. To the extent certain strategy desires to take advantage of any market dislocation or favorable market condition and make an



investment alongside another strategy, such investment opportunities will be allocated based on the factors identified above and in accordance with Vista's Allocation Policy. Vista makes allocation determinations based solely on Vista's expectations at the time such investments are made, however, investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight. Vista and its affiliates may also determine that allocation of all or a portion of an investment opportunity to Vista and its affiliates may be appropriate in instances where Vista or its affiliates intend to bridge or warehouse such investment opportunity for a current or future Fund.

Vista also reserves the right to enter into arrangements with third-party service providers or consultants, who provide Vista with deal sourcing services or other information on investment opportunities. Vista will allocate such investment opportunities, and fees and expenses in connection with such investment opportunities, in the same way it otherwise allocates opportunities and fees and expenses.

In terms of governance, Vista has established an Allocation and Conflicts Oversight Committee that assists Vista in (i) upholding its fiduciary duty to each of the Vista Funds through the allocation of investment opportunities in a manner that is consistent with the Governing Documents and ensuring that allocation determinations among the investment strategies and Vista Funds is fair and equitable over time and consistent with Vista's Allocation Policy and (ii) assisting in the resolution of certain investment-related conflicts of interest.

Vista Credit Partners has also formed a platform-specific allocation committee (the "VCP Allocation Committee") to assist with governance over investment allocation decisions relevant to the Credit Funds. The VCP Allocation Committee collaborates closely with the Vista Allocation and Conflicts Oversight Committee as it relates to the Allocation Policy applicable to the Credit Funds.

Allocation of Co-investment Opportunities

Principals, members and employees of Vista and its affiliates, directly or indirectly, own an interest in Funds or certain co-investment vehicles. Such vehicles generally invest in one or more of the same portfolio companies as the Funds. Co-investment opportunities generally are also expected to be presented to certain employees of Vista or its affiliates, certain business associates, other "friends of the firm," or other persons and such co-investments may be affected through co-investment vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Additionally, the Funds have and generally reserve the right to invest together in the future with other Funds advised by Vista or an affiliate in the manner set forth in the relevant Funds' Governing Documents. In the case of co-investments, Vista reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in certain portfolio companies or otherwise have priority in co-investment opportunities. Additionally, as described in Item 4, Vista has also established the Co-Investment Commitment Program and the Co-invest Separately Managed Account Program to facilitate co-investment by investors, which provide for priority allocations of co-investment opportunities described herein.

Vista must first determine which Funds will be required to (including Vista's Co-investment Commitment Program) or may participate in an investment opportunity. Vista generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's investment objectives, strategies, lifecycle, and structure and other allocation factors described above. Vista reserves the right to offer co-investment opportunities to one or more potential co-



investment participants including vendors, consultants, other service providers, lenders and/or other third parties, as determined by the Funds' Governing Documents and Vista's Allocation Policy, (including consulting with the Allocation and Conflicts Oversight Committee), or to the extent not addressed in such Funds' Governing Documents, in accordance with the following paragraphs. There may be circumstances where Vista determines, for strategic or other reasons, an amount that could have otherwise been invested by a particular Fund is instead allocated to one or more co-investors.

Decisions regarding whether and to whom to offer co-investment opportunities are made subject to restrictions (if any) contained in the Fund's Governing Documents or any side-letter or other terms negotiated with respect to such Fund, by Vista or its related persons in consultation with other participants in the applicable transactions, such as a co-sponsor. In general, absent express contractual arrangement, no Limited Partner has a right to participate in any co-investment opportunity and investing in a Fund does not give a Limited Partner any rights, entitlements or priority to co-investment opportunities; decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment opportunity is made, are made in the sole discretion of Vista or its affiliates or other participants in the applicable transactions, such as co-sponsors. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Vista expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a 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 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 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 Fund would be required to (i) bear the entire portion of any breakup, 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/or (iv) realize lower than expected returns from such investment. Co-investment opportunities may, and typically will, be offered to some and not all Limited Partners in Vista's sole discretion, and a Limited Partner may be offered fewer co-investment opportunities than other Limited Partners in the same Fund, with the same, larger, or smaller capital commitments to such Fund, and some Limited Partners expressing interest in co-investments have the potential to receive none. Certain third parties may be offered co-investment opportunities and Investors may be offered smaller amounts than originally requested; certain persons other than Limited Partners in the Funds (e.g., Vista and its affiliates, other Funds managed by Vista, consultants, persons associated with a portfolio company and



other third parties, including persons who Vista believes will provide a benefit to a Fund and/or one or more portfolio companies or who provide a strategic or similar benefit to Vista, a Fund, and/or a portfolio company) will, from time to time, be offered co-investment opportunities in the sole discretion of Vista and its affiliates; and co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interest from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer), including in circumstances in which the Fund's line of credit is used to initially fund an investment. In the latter case, the applicable General Partner generally will value such interests for the co-investors at the cost in which the Fund made its investment (including any applicable interest expense), unless the General Partner has reason to believe (in its sole discretion) that such value should be adjusted to account for fair market value. Vista will generally seek to ensure that the Funds and any co-investors participate in any co-investment and any related transactions on comparable economic terms to the extent Vista determines appropriate and subject to legal, tax, and regulatory considerations. Investors should note, however, that such participation may not be appropriate in all circumstances and that the Funds may participate in such investments on different and potentially less favorable economic terms than other parties if Vista deems such participation as being otherwise in the Funds' interests. Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent on the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exist strategy and counterparty). To the extent a Fund borrows under a subscription line credit facility in order to acquire a portion of an investment (or pay related expenses) that it subsequently sells down to a co-investor, the interest accrued on such borrowing may be paid by the applicable Fund and borne by its Investors. Additionally, nonbinding acknowledgements of interest in co-investment opportunities are not investment allocation requirements, and do not require Vista to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, Vista from time to time agrees to give particular investors, Funds, or other third parties priority access to co-investment opportunities (as described further below). The existence of such priority or other contractual co-investment access rights could affect Vista's decision to offer certain opportunities for co-investment and could limit the ability of Funds or their investors to be offered certain co-investment opportunities.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment, Vista reserves the right to consider some or all or a wide range of factors which include, but are not limited to its own interest or one or more of the following: (a) the evaluation of the size and financial resources of the investor or person to expeditiously participate in the investment opportunity (in terms of, for example, staffing, expertise, and other resources or similar synergies) without harming or otherwise prejudicing such Fund(s) (including whether the investor or a party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required); (b) the opportunity to further a relationship with a co-investment party that may have indirect long-term benefits to Vista; (c) the co-investment party's: (i) ability to enhance the value of the investment; (ii) ability to make timely, binding decisions; (iii) ability to participate in follow-on financing rounds; (iv) ability to make investments of scale; (v) ability to hold the investment for longer periods of time; (vi) impact on tax, regulatory, legal and similar considerations; (vii) prior co-investment experience; (d) in particular in a case when the investment opportunity is time-sensitive in nature, confidentiality concerns that may arise in connection with providing the Limited Partner or third party with specific information relating to the investment opportunity; (e) whether a potential co-investment party has a history of participating in opportunities and Vista's perception of whether the investment opportunity may subject the other investors to legal, tax, regulatory, reporting, or other burdens that make it less likely that the other investor or person would act upon the investment opportunity if offered; (f)



Vista's perceptions of its past experiences and relationships with the investor or person, such as the willingness or ability of the investor or person to respond promptly and/or affirmatively to potential investment opportunities previously offered by Vista and the expected amounts of negotiations required in connection with an investor or person's commitment (including if a Vista vehicle has already been formed to facilitate co-investment); (g) the character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry); (h) level of demand for participation in such co-investment opportunity; (i) size and nature of other co-investment opportunities (if any) expected to be available around the same time; (j) the ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company; (k) the extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others; (l) the composition of a co-investment vehicle's portfolio; (m) whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to Vista and assume a passive role in governing a portfolio company); (n) any interests a potential co-investment party has in any competitors of the portfolio company; (o) Vista's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the investor or person is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the investor or person, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); (p) rights of priority with respect to co-investment allocations by virtue of the co-investors participation in either the Co-investment Commitment Program or the Co-invest Separately Managed Account Program; (q) whether and to what extent the co-investor will pay management or performance-based fees (including different Carried Interest); (r) whether Vista believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to the Funds and/or Vista and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or Vista; (s) rights of priority with respect to co-investment allocations granted by virtue of the co-investor's participation in Vista's Co-investment Strategies; and (t) whether a potential co-investment party has a history of participating in opportunities. In addition, from time to time, Vista or its affiliates will participate alongside a Fund in an investment, which will reduce the amount of co-investment opportunities available to Limited Partners.

The factors above are not listed in order of importance or priority and Vista is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances or from which Fund strategy the co-investment opportunity was generated. For example, co-investment opportunities arising from the Credit Funds generally will first be offered to certain fee-paying investors.

Notwithstanding the foregoing, Vista is generally required to first present to the Co-investment Commitment Program all available co-investment opportunities arising with respect to an Equity Fund; provided that (i) such investment opportunities, in Vista's good faith judgment, meet the Co-investment Commitment Program's investment criteria and (ii) a co-invest vehicle established pursuant to the Co-investment Commitment Program is able to make such investments and such



investments are not materially limited as a result of investment restriction or applicable law or regulation. Any co-investment opportunities remaining after such presentation to the Co-investment Commitment Program may then be presented to the participants of the Co-invest Separately Managed Account Program and/or other third-party co-investors based on the factors listed above. Subject to applicable contractual restrictions, Vista retains broad discretion in establishing the terms of the Co-investment Strategies and other co-investment arrangements.

In addition, participants of the Co-investment Strategies should be aware that potential conflicts of interest will arise in connection with such programs' activities and that such programs will be bound by the waivers of conflicts or other approvals provided by one or more Funds' Advisory Committees. This leads to conflicts of interest because the participants of the Co-investment Strategies will generally not have the ability to provide their own approval or consent with respect to a matter, and there is no assurance that the interests of such participants, on the one hand, and the Advisory Committee(s), on the other hand, will necessarily align on all issues related to the matter, particularly because the investors on the Advisory Committee(s) are not necessarily also participants (on the whole) in such programs. Accordingly, the Advisory Committee(s) could take actions that impact the Co-investment Strategies in a negative manner and not take into account consideration of such programs when acting in a way that benefits one or more other Funds rather than such programs.

Vista or its affiliates may establish dedicated co-investment vehicles for specific Investors to facilitate investments by the relevant Investors as co-investment parties alongside a Fund, which often have more favorable rights and/or terms than the Funds and/or other co-investors. Any such vehicle will be established at Vista or its affiliates' sole discretion and Vista and its affiliates have no obligation to offer a similar opportunity to any other investor. In addition, co-investment vehicles are typically formed to make investments alongside a Fund. In such cases, the co-investment vehicle will have a priority to make co-investments in some or all of the investments made by such Fund. The existence of such a priority right will significantly reduce or eliminate co-investment opportunities available to investors.

Vista or its affiliates, directly or through a vehicle, may also purchase, as a co-investment with a Fund, a portion of an investment opportunity that Vista or its affiliates intend at the time of such investment to bridge or warehouse for the benefit of an existing or potential co-investor or Fund. In connection with such transaction, Vista or its affiliates would expect to dispose of its portion of such investment at a time when the Fund would continue to hold such investment, and such Fund would not be given the opportunity to dispose of any portion of its investment as part of such transaction.

Vista's allocation of investment opportunities among the persons and in the manner discussed above 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 other such persons. For example, Vista will have the incentive to offer a particular co-investment opportunity to certain persons over others based on its economic arrangements with such persons (including, for example, whether Vista and/or the applicable General Partners are entitled, under arrangements made with certain potential co-investment parties, to additional Management Fees, Carried Interest, or Other Fees based on the availability of co-investment opportunities offered to such parties). Different economic arrangements among co-investment participants will also create an incentive for Vista to allocate certain co-investment opportunities (for example, those that are expected to generate higher carry) to the co-investment participant with greater economic potential for Vista (e.g., those with higher management fees and/or performance-based fees). In addition, Vista will maintain full discretion regarding Vista or the Funds implementing their



investment strategies, including in the acquisition and ownership composition of portfolio companies, and certain investment vehicles managed or advised by private equity or debt funds, co-sponsors, co-underwriters, financing parties and other persons who Vista believes will provide a benefit to a Fund and/or one or more portfolio companies or who provide a strategic or similar benefit to Vista, a Fund, and/or a portfolio company may receive allocations of investment opportunities in priority to other co-investors. While Vista allocates investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which Vista is subject, discussed herein, did not exist. From time to time, Vista's Allocation and Conflicts Oversight Committee may make allocation determinations and/or resolve conflicts of interest as they arise between the Funds, strategies, and/or other parties.

In the event Vista determines to offer an investment opportunity to co-investors, there can be no assurance that Vista will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund, or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial, and the Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. As a consequence, the Fund may bear the entire portion of any fees, costs and expenses related to such investment, including, but not limited to, breakup fees and hold a larger than expected portion of such investment. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from Vista as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that Vista is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns. Similarly, it is possible that the market value of an investment may increase between the time that Vista closes on the investment and the time that the syndication is completed. In most cases the purchase price paid by syndicate buyers will not reflect this increase. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

Subject to the foregoing discussion and the below, allocation of investments between a Fund, on the one hand, and any Companion Fund, on the other hand, are generally expected to take place in accordance with any number of considerations beyond contractual obligations as set forth in Vista's Allocation Policy, as such policy may be updated from time to time. An investment opportunity may be appropriate for more than one Companion Fund, which would create a conflict between the Companion Funds that will be resolved in accordance with Vista's Allocation Policy. Any such investment alongside the applicable Funds and the Companion Funds generally shall be made on economic terms and conditions and at the investment level, substantially equivalent to, and at substantially the same time, as such other vehicle, and the applicable vehicles shall sell or otherwise dispose of their interests in any portfolio company concurrently, in a like proportion and on substantially equivalent economic terms and conditions (at the investment level), except:



(a) with the consent of the relevant Fund's Advisory Committee; (b) where otherwise provided or reasonably required due to differing legal, regulatory, accounting, tax and/or similar considerations governing investments by the applicable Funds, on the one hand, and the applicable Companion Funds on the other; or (c) if Vista determines that a sale or disposition by any of the Funds or the Companion Funds at the same time would not be in the best interests of the applicable Funds or the Companion Funds and notifies the relevant Fund's Advisory Committee of such determination and the basis therefor.

Secondary Transactions

While there is generally no market for interests in the Funds, the applicable General Partner or its affiliates may purchase interests from Investors in accordance with the applicable partnership agreement and also may directly or indirectly acquire an interest in the Funds' interests through a secondary transaction. In each case, by virtue of their relationship to the relevant General Partner, Vista or its affiliates purchasing the Fund interests would be in possession of material information regarding investments of the Fund that are not disclosed to Investors because such disclosure may be prohibited and would generally have more detailed information regarding the value of the investments of the Fund. Accordingly, Vista or its affiliates will have more information regarding the market value of the Fund interests than the Investors selling its interest and any other potential buyer, thereby disadvantaging either the seller or other potential buyer in the course of the sale.

In addition, to the extent Vista has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Governing Documents, or is asked to identify potential purchasers in a secondary transfer, Vista will do so in its sole discretion, generally taking into account the following factors: (i) Vista's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations; (ii) Vista's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or Vista; (iii) whether the potential purchaser would subject Vista, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media, or other burdens; (iv) a potential purchaser's investment into another Fund (including any commitment to a future fund); (v) requirements in such Fund's Governing Documents; and (vi) such other facts as Vista deems appropriate under the circumstances in exercising such discretion.

Conflicts Related to Purchases and Sales and Different Positions in the Capital Structure

From time to time, the Funds are expected to invest in conjunction with an investment being made by another Fund and are expected to invest in the securities of a company in which another Fund has already made an investment, including if the Funds invest in different types of securities of the same portfolio company, and potential conflicts are expected to arise in connection with such investments. Vista is permitted to cause the Vista entities to invest in a broad range of asset classes throughout the corporate capital structure, including investments in corporate loans, debt securities, preferred equity securities, and common equity securities. Accordingly, Vista entities are permitted to invest in different parts of the capital structure of a company or other issuer in which a Fund invests, subject to provisions of the relevant Governing Documents, without such Fund's Advisory Committee approval. For example, Vista invests in the equity securities of a portfolio company on behalf of the Equity Funds or the Perennial Fund and, at times, in the debt of the same company for the Credit Funds or a different Equity Fund. In addition, Vista may invest in the equity securities of the portfolio company on behalf of the Equity Funds and at a later date,



on behalf of the Perennial Fund. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit, or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage, and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund or vehicle with which it co-invests will exit such investment at the same time or on the same terms, or that the terms of the Fund and a co-invest vehicle will be perfectly aligned (for example, in instances where the Fund bears any guarantee obligations in connection with financing a transaction and the co-investors are not required to bear such risks), nor is the relevant Fund, subject to the relevant Governing Documents, required to obtain Advisory Committee approval in order to do so. Vista and its affiliates may from time to time express inconsistent views of commonly held investments or of market conditions more generally. For example, Vista may choose to sell all or part of an investment in an entity while another Fund holds or increases its investment in such entity (or vice versa). These variations in timing may not equally benefit one Fund relative to another Fund.

In instances where multiple Funds invest in a company at the same time or different time and the company seeks additional capital, if one Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other Fund will likely be obligated to fund more than its share of such amount. In such event, one Fund will gain greater exposure to such investment than may have been intended and the other Fund will be diluted in such investment. The returns of each Fund may be negatively impacted as a result of the foregoing. In addition, investment opportunities may be appropriate for one or more Funds at the same, different, or overlapping levels of a company's capital structure.

In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

There can be no assurance that the return on a Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction or that it would have been as favorable as it would have been had such conflict not existed. As investment adviser to both Funds, Vista owes a fiduciary duty to each Fund. Because of the different legal rights associated with debt and equity of the same portfolio company, Vista faces a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations, and the resolution of workouts or bankruptcies), and the action taken for an Equity Fund may be adverse to a Credit Fund (or vice versa), particularly in the case of financial distress of a company. Given the nature of such conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to each of the Funds. For example, Equity Funds are permitted to hold equity interests in a portfolio company in which a Credit Fund holds debt securities or of which it



is otherwise a creditor. In a bankruptcy proceeding, an Equity Fund's interest may be subordinated or otherwise adversely affected by virtue of Vista's or the Credit Fund's involvement and actions relating to their debt investment. This may result in loss or substantial dilution of the Equity Fund's investment, while Vista or the Vista Credit Fund recovers all or part of amounts due to it. In addition, where Vista or a Credit Fund is a creditor of a portfolio company in which an Equity Fund holds more junior securities, Vista or the Vista Credit Fund may take actions in its own interests with respect to its rights as a creditor (e.g., with respect to breaches of covenants) that may be adverse to the interests of the Equity Fund as an equity holder. Vista's ability to implement a Fund's strategies effectively may be limited to the extent that contractual obligations entered into in respect of investments made by Vista or another Fund impose restrictions on the Fund engaging in transactions that Vista may otherwise be interested in pursuing. In addition, in the event a portfolio company breaches a debt or asset covenant, two Funds holding investments of a different priority may have differing interests in terms of deciding whether to waive certain available remedies. Such actions would have a direct (and likely negative) impact on the Equity Fund's equity investment in such a company. The involvement of such Funds at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, the Funds will be prohibited from exercising voting or other rights and will be subject to claims by other creditors with respect to the subordination of their interest.

If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation, or reimbursement. In administering, or seeking to reinforce, these agreements, Vista is subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. Vista intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Investments by more than one Fund in a portfolio company also have the potential to raise the risk of using assets of another Fund to support positions taken by other Funds, or that a Fund may remain passive in a situation in which it is entitled to vote. There can be no assurance that any such conflict can be resolved in a manner that is beneficial to either Fund. In that regard, actions taken for one or more Vista Funds may adversely affect other Funds managed by Vista. Vista will resolve all such conflicts using its reasonable judgment, but in any case, in its sole discretion, subject in certain cases to approval by the Advisory or Investor Committees of the participating Funds.

Where multiple Funds invest at the same, different, or overlapping levels of a portfolio company's capital structure there is a potential for conflicts of interest. Further potential conflicts are expected to arise once a Fund has made an investment in a company in which another Fund has also invested. In determining the terms of each such investment, questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified, or waived, whether payments should be accelerated, 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, the terms of any workout or restructuring, or other concessions that may be given in such a situation may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. Vista may be incentivized to choose a course of action that benefits one Fund to the detriment of another Fund.



In addition, where more than one Fund invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time and on the same terms. For example, because Vista has a potential incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) and because one Fund's term may expire before the end of another Fund's term, such Funds may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if Vista determines it is advisable for a Fund to exit an investment at the same time as another Fund of Vista or its affiliates, the term of which may expire sooner than the former Fund's, such former Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments. From time to time, Vista's Allocation and Conflicts Oversight Committee may resolve conflicts of interest as they arise between the Funds, strategies, and/or other parties. In addition, investors may receive different consideration (for instance investors in one Fund may receive cash whereas investors in another Fund may be provided the opportunity to receive distributions in-kind) which may impact the realized return ultimately received by each Fund.

Finally, in certain circumstances, if more than one Fund is participating in an investment, one Fund may bear more than its pro rata share of expenses relating to such investment if the other Fund or Funds does not have the resources to bear such expenses (including, for instance, as a result of insufficient reserves and/or the inability to call capital to cover such expenses). In such circumstances described above, Vista could take steps to reduce the potential conflicts of interest between the various Funds, including causing a Fund to take certain actions that, in the absence of such conflict, it would not take (e.g., a Fund may divest itself of an asset it otherwise may have retained, Vista may establish information barriers, certain matters may be referred to an advisory committee or a third-party, or a Fund may only invest in securities that seeks to align the interests with other investing Funds). Any such steps could have the effect of benefiting one Fund or Vista at the expense of another Fund.

A Fund will, from time to time, invest in opportunities that other Funds have declined, and likewise, a Fund will, from time to time, decline to invest in opportunities in which other Funds have invested.

The application of a Fund's Governing Documents and Vista's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed. There can be no assurance that any such conflict can be resolved in a manner that is beneficial to either Fund. In that regard, actions may be taken for one or more Funds that adversely affect another Fund.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Funds (individually or with another Fund) may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Vista in its sole discretion. Conflicts would also arise in situations where Vista could potentially cause portfolio companies owned by different Funds to merge in whole or part with each other or to be purchased or sold in whole or in part to each other. Such transactions may lead to a conflict of interest because Vista controls the Funds and/or portfolio companies on each side of such transactions. Depending on the



transaction structure, such transaction may disproportionately benefit the purchasing, selling, or merging Fund (or Vista as a result of its interests in a Fund), and the other Fund may incur expenses or forego gains that would have been obtained had it not exited such company or companies. Determining consideration or other terms of such transactions have the potential to create a conflict of interest because of the terms (including the fee terms) of the Funds and Vista's interest in such Funds. The acquisition or merger by a Fund have the potential to also lead to the other Fund holding the remaining portion of the company, if any, longer than it otherwise would have, which may increase the risk for loss. As a fiduciary to each Fund in such a transaction, Vista will act in the best interests of each Fund (as determined in its sole discretion), but there is no assurance that such transaction will be equally profitable or advantageous to each participating Fund. Vista will resolve all such conflicts using its reasonable judgment but in its sole discretion, subject in certain cases to approval by the Advisory Committees of the applicable Funds. There can be no assurance that any such conflicts can be resolved in a manner that is beneficial to each Fund.

In addition, certain Funds, including the Hedge Funds, are permitted to invest in securities of publicly traded companies which are actual or potential portfolio companies of a Fund. The trading activities of those Funds may differ from or be inconsistent with activities which are undertaken for the account of the Fund in such securities or related securities. In addition, the Fund may not pursue an investment in a portfolio company as a result of such trading activities by other Funds. Vista is permitted to from time to time implement certain policies and procedures that seek to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions. Such policies and procedures have the potential, however, to reduce synergies across Vista's areas of operation or expertise that the Fund is able to draw on to pursue its investment strategy and objectives. As a result of Vista's growth and current and future product offerings, Vista is and may become subject to more regulatory and contractual restrictions than it would be subject to if it only managed the Fund and its predecessor and successor vehicles.

Vista generally will determine all matters relating to structuring transactions, including the amount and terms of securities and allocation of securities among Funds, using its reasonable judgment considering all factors it deems relevant, but in any case, in its sole discretion.

The allocation of securities as among Funds and as between Funds may be affected by a Fund's stage in its lifecycle. For example, a newly organized Fund may seek to purchase a disproportionate amount of investments until it is substantially invested.

From time to time, Vista will, in its discretion, enter into transactions with Investors in one or more Funds, co-investors, Vista investors and their affiliated parties to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, Vista will comply with the requirements set forth in the Governing Documents to the applicable Fund(s), or to the extent not addressed in the Governing Documents of the applicable Fund(s), Vista may consider some or all of the factors listed above under "*Allocation of Co-investment Opportunities*."

The sales price for such transactions will be mutually agreed to by Vista and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by Vista. Although Vista is not obligated to solicit competitive bids for such sales transactions or to seek or obtain the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable



or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the Governing Documents of the applicable Fund(s).

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to the Governing Documents, Vista reserves the right to charge (or may decide not to charge) a co-investor (such as an Investor or third party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

The Funds, from time to time, co-invest with third parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks and conflicts that would not otherwise be present in investments where a third party is not involved, including the possibility that a third-party partner or co-investor may have financial difficulties resulting in a negative impact on such portfolio investment. Such risks include, among other things, the possibility that the third party may have differing economic or business goals than those of the Fund, or that the third party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity and (b) full guarantee arrangements where Funds agree to close a transaction, even if the debt financing for such transition is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Fund (including co-investment vehicles through which Adviser Personnel and affiliates participate) are generally obligated to pay their proportionate share of the equity purchase price (whether pursuant to the applicable Funds' Governing Documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or limited guarantees and, in any event, are not obligated to pay their proportionate share of any reverse termination fee. Therefore, in the unlikely event that a co-investment vehicle defaults on an arrangement with the Fund to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Fund would be held responsible for the entire equity purchase price or other applicable obligations.

Follow-on Investments

Investments to finance follow-on acquisitions are a regular part of the business of the Funds. Follow-on investments may present conflicts of interest, including determination of the equity component and other terms of the new financing. In addition, a Fund may participate in leveraging and recapitalization transactions involving portfolio companies in which other Funds have invested or will invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing Investors are being cashed out at a price that is higher or lower than market value and whether new Investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the



prevailing market terms. Vista will resolve conflicts using its reasonable judgment but in its sole discretion, subject in certain cases to approval by the respective Advisory Committees or Investor Committees of the participating Funds.

If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds (individually or with another Fund) may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Vista in its sole discretion. Conflicts would also arise in situations where Vista could potentially cause portfolio companies owned by different Funds to merge in whole or part with each other or to be purchased or sold in whole or in part to each other. As a fiduciary to each Fund in such a transaction, Vista will act in the best interests of each Fund (as determined in its sole discretion), but there is no assurance that such transaction will be equally profitable or advantageous to each participating Fund.

Conflicts Related to Funds Investing in Other Vista Funds

One Equity Fund has invested a portion of its assets, directly or through one or more direct or indirect subsidiaries, into certain of the Hedge Funds, as disclosed in such Equity Fund's Governing Documents. As discussed in Item 5 above, such overlapping investments will not be subject to such Hedge Funds' Management Fee or incentive allocation.

Receipt of Material Nonpublic Information

From time to time, Vista or its affiliates will come into possession of material nonpublic information. Should this occur, Vista will be restricted from buying or selling securities, derivatives, or loans of the issuer on behalf of the Funds until such time as the information became public or was no longer deemed material to preclude the Funds from participating in an investment. Disclosure of such information to Adviser Personnel responsible for the affairs of the Funds may be on a need-to-know basis only, and the Funds will not be free to act upon any such information, even though such action or disclosure would be in the interests of the Funds. Additionally, there may be circumstances in which one or more of certain individuals associated with Vista may be precluded from providing services related to the Funds' activities because of certain confidential information available to such individuals or Vista. Therefore, the Funds may not have access to material nonpublic information in the possession of Vista which might be relevant to an investment decision to be made by the Funds, and the Funds may initiate a transaction or sell a portfolio investment which, if such information had been known to it, may not have been undertaken. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold. Consequently, the possession of material nonpublic information by Vista and its affiliates may limit the ability of all of the Funds to buy and sell investments in the relevant company.

To partially mitigate the foregoing risks, Vista has established an information barrier policy, which establishes certain information controls that, among other things, restrict communication between each of the various business units of Vista. Consequently, while an investment team operating in one business unit may have knowledge of information that could be pertinent to an investment and/or disposition decision of a Fund operating in another one of the business units, the investment professionals of such other Fund would not have access to such information, unless parity of information already exists between such business units. Similarly, the receipt of material nonpublic information by one investment team would only restrict the operation of that business unit and would not restrict other business units' operations. However, an information barrier would not restrict the flow of information that one business unit wishes to receive from another business



unit, as that business unit can opt out of the barrier in its discretion, subject to the restrictions on use of any material nonpublic information received as a result. Additionally, certain Adviser Personnel, including affiliated Advisory Committee members, may be considered “above the wall” and therefore exempt from the information barriers. As a result of this treatment and the resulting access to material nonpublic information, such personnel may be required to recuse themselves in connection with certain Advisory Committee or Fund-related proceedings, which may impede the relevant Fund’s investment program or operations. There can be no guarantee that informational barriers will be able to prevent all issues relating to the handling of material nonpublic information.

In addition, Vista receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, and other metrics. This information may, in certain instances, include material nonpublic information received or generated in connection with efforts on behalf of one Fund’s investment (or prospective investment) in a portfolio company. As described above, the receipt of such information may restrict a Fund from transactions in the relevant company. Such information will also be periodically received in the ordinary course as a result of Adviser Personnel serving as directors of a public portfolio company and could cause the Fund to be restricted from transactions in the relevant portfolio company more often than if Adviser Personnel did not serve in such positions, which could have an adverse effect on Fund performance if Vista desired to engage in such transactions (including disposing of an investment in a timely manner). Vista has in the past and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. Vista has already used and is likely in the future in certain instances to use this information in a manner that provides a material benefit to Vista, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, Vista has a potential incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Vista has in the past utilized and is likely in the future to utilize such information to benefit Vista, its affiliates or other Funds in a manner that may otherwise present a conflict of interest resulting from the particular facts and circumstances but does not intend to specifically disclose such conflicts to the relevant Funds.

Vista or an affiliate from time to time is expected to sign nondisclosure agreements or other deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund.

Allocation of Fees and Expenses

From time to time, Vista is required to decide whether certain fees, costs and expenses should be borne by Vista, a Fund, a portfolio company, co-investors and/or a third party (each, an “Allocable Party”), and if so, how such fees costs and expense (including costs and expenses related to in-house legal, administrative, accounting, finance, tax, capital markets, compliance, ESG or other similar services provided by the Fund’s General Partner, Vista or its affiliates) should be allocated among the Allocable Parties. In exercising its discretion to allocate fees and expenses among the Allocable Parties, Vista is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense, and compensation structures, Vista has an incentive to allocate investment opportunities to the Funds from which Vista or its related persons derives, directly or indirectly, a higher fee, compensation or other benefit. In addition, there may be occasions where a Fund procures borrowing through a subscription line or credit facility in order to make an investment,



syndicating out a portion of the investment to another Allocable Party. Subject to a Fund's Governing Documents, the borrowing Fund will bear the entire cost of interest from the borrowing, even though the investment may ultimately be made by other Allocable Parties.

Vista allocates fees, costs, and expenses in accordance with a Fund's Governing Documents. To the extent not addressed in the Governing Documents of a Fund, Vista will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances, notwithstanding its interest (if any) in the allocation and considering such factors as it deems relevant, but in any case, in its sole discretion.

When the Funds incur expenses, they will typically allocate such expenses among all relevant Funds or co-investment vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual, or similar restrictions, expense allocation decisions will generally be made by Vista or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in any case, in their sole discretion. The allocations of such expenses may not be proportional. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, 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, or in certain circumstances determining whether a particular expense has a greater benefit to a particular Fund, its General Partner and/or its affiliates, and Vista may have a financial incentive to favor allocations that may benefit itself, which may result in the Funds bearing different levels of expenses with respect to the same investment. Further, Vista reserves the right to consider each relevant Fund's strategy as a component of its allocation of investment expenses, and as a general matter will not allocate expenses associated with one Fund's equity investment to a different Fund's credit investment, or vice versa, even if the two investments are in the same portfolio company.

Certain expenses are paid for by portfolio companies or, if paid by Vista, are reimbursed by a Fund and/or portfolio company and, in some cases, Vista may not necessarily seek out the lowest-cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

With respect to allocating other expenses, to the extent not addressed in the Governing Documents of a Fund, Vista will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation in accordance with its allocation policies and procedures. Vista will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable.

In addition, the Funds may pay expenses common to multiple Vista entities, and be reimbursed by the other Vista entities for their share of expense, without interest.

Research Costs for Investments

There have been and may in the future be circumstances where Vista considers a portfolio company on behalf of a Fund and initially determines not to make such an investment, but eventually makes an investment in such portfolio company in another Fund or other investment vehicle sponsored by Vista. In these circumstances, the Funds, Vista, or such vehicles are expected to benefit from research by the original investment team researching the investment and/or from costs related thereto borne by the applicable Fund in pursuing the potential portfolio investment but will not be required to reimburse the Funds for expenses incurred in connection with such investment.



Vista and its affiliates also reserve the right to enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory, and contractual requirements, these information sharing arrangements are designed to allow Vista, the Funds and the Funds' portfolio companies to better discern economic or other trends and developments. Vista believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across Vista's businesses and the Funds' portfolio companies. However, information sharing may involve conflicts of interest between the Funds and/or between the Funds and Vista. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by Vista and its affiliates, without the source of the data being directly compensated. Vista and its affiliates may utilize such data outside of Fund activities in a manner that provides a material benefit to Vista, without directly compensating or otherwise benefiting the Funds. As a result, Vista has a potential incentive to pursue investments (on its own behalf or on behalf of the Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits Vista and/or investments held by other Funds.

Conflicts Relating to the General Partner and Vista

Vista and its principals and employees carry on investment activities for their own accounts, for personal or employee investment vehicles and, potentially, for family members and friends who do not invest in the Fund (including holding passive ownership positions in other advisory entities not otherwise affiliated with Vista), as well as establish trusts, endowments, charitable programs, foundations or similar arrangements, give advice and recommend securities to other accounts or investment Funds which may differ from advice given to, or securities recommended or bought for, the relevant Fund, even though their investment objectives may be the same or similar. Vista and its principals and employees reserve the right to pay or receive compensation in relation to the foregoing. Vista, Adviser Personnel (including Vista employees), their relatives and related persons of Vista also have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies, directly or indirectly, and therefore, expect to have additional potential conflicting interests in connection with these investments. In addition, subject to the Funds' Governing Documents, Funds are permitted from time to time to invest in securities of companies in which Vista, Adviser Personnel, their relatives, and other related persons of Vista have previously invested for their own accounts. Furthermore, subject to the Funds' Governing Documents, Vista, Adviser Personnel, their relatives and/or other related persons are permitted from time to time to invest for their own accounts in securities of companies in which the Funds invest. While the significant interests of Vista, Adviser Personnel, their relatives and/or related persons generally align the interest of such persons with the Funds, such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity) creating conflicts of interest. In addition, to the extent an advisory opportunity is received that is deemed unsuitable for a Fund, in Vista's sole discretion, Vista, Adviser Personnel and their relatives reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Such transactions are subject to conflicts of interest because Adviser Personnel and their relatives investing in the opportunity will, for some investments, benefit from the evaluation, investigation and due diligence undertaken by Vista on behalf of the Fund. In such circumstances, subject to any restrictions in such Fund's Governing Documents and any policies and procedures set forth in Vista's Code of Ethics, the investing Adviser Personnel and their relatives will not be required to share in or reimburse the relevant Fund for any expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity.



In addition, Adviser Personnel may also buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds and/or which may invest in similar industries and sectors as the Funds. Such Adviser Personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicle purchases securities from, or sells securities to, a Fund. The investment policies, fee arrangements, and other circumstances of these investments generally vary from those of any Fund. Such Adviser Personnel may be incentivized to cause a Fund to act in a manner that benefits such other investment vehicles and, indirectly, themselves as investors in such investment vehicles.

Unless restricted by the Governing Documents, Adviser Personnel are permitted to serve on boards or act in other roles unaffiliated with Vista, the 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.

Vista currently provides, and expects in the future to provide, advice to other Funds, including vehicles that follow investment programs substantially similar to that of its current Funds. Vista expects that it or Adviser Personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicts) from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See “*Allocation of Investment Opportunities*” above. Vista may give advice or take actions with respect to, the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives, or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund generally is not be able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another Fund. These differences often result in variations with respect to price, leverage, and associated costs of a particular investment opportunity.

In addition, it is expected that Adviser Personnel responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by Vista, including funds raised in the future or to proprietary investments made by Vista and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services, or functions of Adviser Personnel. As a result, Adviser Personnel have an incentive to allocate more time, services, or functions to Funds from which such personnel derive a higher economic benefit and/or better performing Funds.

Vista, its affiliates, its principals, and employees will devote so much of their time to the activities of the Fund as they deem necessary and appropriate. Except as set forth in the Funds’ Governing Documents, the General Partner, Vista, and its affiliates are not restricted from forming additional Funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of Vista, the General Partner, and affiliates. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of Vista and its respective principals and employees will not be devoted exclusively to the business of a particular Fund but will be allocated between the businesses of Vista’s various Funds.



A Fund may, from time to time, pursuant to the Governing Documents, lend certain amounts to Vista and its affiliates with respect to its pro rata share of an investment in those circumstances in which such Fund is borrowing with respect to the investment on a short-term basis.

Vista will receive different equity interests in the Perennial Fund in exchange for its capital contribution and will not receive any preferred equity interests. As a result, Vista's interests will not be aligned with those of other Investors to the extent the interests of common equity interests and preferred equity interest holders differ. In addition, the capital structure of the Perennial Fund may produce the effect that returns on Vista's common equity interests are levered by the preferred equity interests of other Investors as well as third-party borrowings. As a result, Vista's interests may be served by a more speculative or riskier approach to investments which may conflict with the interests of the Investors as a whole.

Affiliated Business Development Company

Without limitation on the above, Vista Funds' key personnel could serve in similar capacities for one or more Vista Funds that have been structured as closed-end management investment companies and have elected to be treated as business development companies under the 1940 Act (such entities, collectively, the "Business Development Company"). The Business Development Company could be organized, funded and operated concurrently with a Vista Fund and could target many of the same types of Investments as such Fund targets. A Business Development Company is required to be managed in accordance with the rules and regulations of the 1940 Act, which, in part, impose restrictions on the ability of the Business Development Company to co-invest with such Fund or any other Vista Fund, which may limit or restrict allocations of investments to the Fund. Although Vista may be able to obtain exemptive relief from the SEC for certain of these co-investment restrictions, such relief may still impose restrictions that have negative effects on other Vista Funds that would otherwise invest alongside the BDC, including imposing limitations on the ability of the Vista Funds to participate in such investment or otherwise affect the timing or terms of such investment. Further, notwithstanding such exemptive relief with respect to the co-investment restrictions, Vista may determine that certain investment opportunities otherwise eligible for the relevant Vista Fund are more appropriate for the Business Development Company, which would preclude the Vista Fund from also participating in such investments. At any time following the receipt of exemptive relief from the SEC, although co-investment with the Fund would be permitted, Vista may continue to allocate certain types of investments solely to the Business Development Company and/or allocate to the Business Development Company a pro rata or other portion of certain types of investments that otherwise would be available to the Vista Fund.

The relevant Vista affiliated adviser would not be precluded from serving as investment adviser to, or sharing senior management or investment personnel with the affiliated investment adviser of, such Business Development Company. In fact, Vista currently expects that certain officers, managers and other personnel of a Vista affiliated adviser would be shared with the Business Development Company, and would be responsible for, among other things, managing day-to-day activities, implementing investment strategy, identifying investment opportunities and making investment recommendations. In serving in these dual capacities, the officers, managers and personnel of the relevant Vista affiliated adviser will devote only as much of their time to the Fund's business as they determine is reasonably required, which may be substantially less than their full time. In addition to the limitations imposed by the 1940 Act, those persons could also face conflicts of interest making decisions related to the allocation, holding and disposition of Investments that are within the mandate of both the relevant Fund and the Business Development Company. On account of the fulfillment of their obligations and responsibilities to the Business



Development Company or its investors, there can be no assurance that the relevant Vista affiliated adviser and its officers, managers and other personnel will always take actions that are in the relevant Fund's best interests or the best interests of the Fund's Limited Partners.

Performance-Based Fees

Performance-based fees (including Carried Interest) create an incentive for Vista to invest funds (directly or indirectly) in investments that are riskier or more speculative than would be the case if the General Partner were compensated based on a flat percentage of capital. However, the investment made by Vista of the General Partner in a Fund, the clawback obligation of the General Partner (as described below) and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of Adviser Personnel.

Because there is a fixed investment period after which capital from Investors in certain Funds may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to defer the realization of investments and/or deploy capital when Vista may not otherwise have done so. In addition, for the Hedge Funds, the incentive allocation is determined on the basis of the value of the capital accounts including value attributable to unrealized appreciation. Any securities traded, directly or indirectly, by the Hedge Funds for which market quotations are not available may be valued by or at the direction of Vista at such value as it may reasonably determine and may not be independently valued or verified by a third party. Accordingly, the incentive allocation may also create an incentive for Vista to place the highest reasonable value on the Hedge Funds' investments.

Pursuant to the Governing Documents, the General Partner may be required to return excess amounts of Carried Interest as a "clawback." This clawback obligation creates an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

In addition, the General Partner may be incentivized to hold on to investments that have poor prospects for improvement in order to receive ongoing Management Fees in the interim and, potentially, a more likely or larger Carried Interest distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation of the General Partner.

The Governing Documents of the Funds generally permit the General Partner of each Fund to cause such Fund to distribute such General Partner's share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates (including Adviser Personnel) in kind, while disposing of Limited Partners' share of such securities and distributing the net cash proceeds of such sale of securities to the Limited Partners. This ability creates conflicts of interest between the General Partners and the Limited Partners of the applicable Fund. The General Partners may be incentivized to receive distributions in-kind of securities that it expects to increase in value because the benefits of such increase will inure solely to the General Partner, and the Fund or the Limited Partners will not benefit from such increase. A General Partner also may elect to receive an in-kind distribution of securities of a portfolio company for purposes of permitting one or more Adviser Personnel to donate such securities to charity (which may include private foundations, fund or other charities so chosen or operated by such personnel or their families). Any tax efficiencies to such personnel associated with this form of charitable



giving may have the effect of reinforcing or enhancing a General Partner's incentives otherwise resulting from the existence of its Carried Interest. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund. These conflicts may be exacerbated due to the enhanced knowledge and information the General Partner has relative to the Limited Partners with respect to such securities.

Differing Compensation Arrangements

Vista is subject to a conflict of interest because varying compensation arrangements among Funds could incentivize Vista to manage Funds differently. Depending on the compensation rates in the Funds relative to each other, these and other differences could make the Funds less profitable on a marginal basis to Vista than certain Funds or vice-versa.

Fund Level Borrowing

The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses and liabilities, to pay Management Fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from Investors), to make payments under hedging transactions, to cover any shortfall resulting from an Investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all Limited Partners in such Fund on a pro rata basis, including the General Partner. The Funds will also utilize subscription facilities to benefit co-investment parties. For example, a Fund will borrow to fund a co-investment party's pro rata share of an investment or expense related to an investment. Vista expects that all parties participating in an investment (including the General Partner and any co-investment party and/or joint venture partner) will bear their pro rata share of the interest expenses, but not necessarily origination and other costs allocable to the extension of credit. The relevant Fund will therefore bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties, and is permitted to bear a disproportionate amount of costs incurred in connection with the extension of credit. In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds. In such instances the Funds would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by the General Partner and any co-investor) benefit from the credit risk taken by the Fund's guarantee. Accordingly, any interest charged to the portfolio company for such lend funds would be retained solely by the guaranteeing Fund.

In addition, a credit agreement frequently will contain other terms that restrict the activities of a Fund and its Limited Partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the applicable General Partner's ability to consent to the transfer of a Limited Partner's interest in the Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the General Partner may request certain financial information and other documentation from Limited Partners to share with lenders. The applicable General Partner 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 Limited Partners.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through the Fund facility, the Fund's Investors generally



make corresponding later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As communicated to investors, Vista recently modified its subscription line policy to bring it more in line with market practice and utilize the subscription line for longer periods than before and minimize the number of capital calls to investors. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than they otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions and fund-level borrowing increases the likelihood that any hurdle or preferred return component in the Fund's Carried Interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or nonrepayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. Thus, while the Fund will bear the expense of borrowed funds, such borrowings can also increase the Carried Interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to Fund Investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner could receive disproportionate benefits from such borrowings.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a Fund's General Partner to 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 Limited Partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for a Limited Partner 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 a Limited Partner to meet the accumulated, larger capital calls at the same time. The General Partner is authorized to use fund-level borrowing to pay Management Fees and to reimburse Vista for expenses incurred on behalf of the Fund. The Fund is also permitted to utilize fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, the Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

In other circumstances, lenders and other market participants are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or a Vista affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's Limited Partners could suffer adverse effects



resulting from any default by any Fund or a Vista affiliate, whether or not related to the Fund in which such Limited Partners have invested.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by Limited Partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to Limited Partners and increase the potential Carried Interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Borrowing by the Fund will generally be secured by capital commitments made by the Limited Partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the Investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of UBTI.

Positions with Portfolio Companies

As a result of the Funds' controlling interests in portfolio companies, Vista and/or its affiliates typically have the right to appoint board members to such portfolio companies, to influence their appointment or to sit as an observer on a portfolio company board. From time to time, portfolio company board members (including such members who are Adviser Personnel, senior advisors or consultants to Vista) approve compensation or other amounts payable to Vista or its affiliates including, but not limited to, cash, transaction fees, profits, or equity interests, or other compensation. In addition, Vista and or its affiliates have the ability to appoint third parties as portfolio company board members. In such circumstances, any compensation or fees received by such third party is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or Investors.

Certain decisions made by a director may subject Vista, its affiliate, or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other director-related claims. In general, the Funds will indemnify Adviser Personnel from such claims.

From time to time Adviser Personnel may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest (or is in the process of fully exiting its ownership interest) and/or following the termination of such Adviser Personnel's employment with Vista. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such Adviser employee or former employee is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or Investors.

Further, Adviser Personnel or consultants to Vista (i.e., VCT members) are permitted to also serve as directors or interim executives of, or otherwise be associated with, companies that are



competitors of portfolio companies of the Funds. In such cases, such personnel may be subject to fiduciary and other obligations to make decisions that they believe to be in the best interests of the relevant companies. Although, in most cases involving a Fund's portfolio companies, the interests of the Fund and its portfolio companies would be expected to be aligned, this may not always be the case, particularly if portfolio companies are likely to be in financial difficulty. It would also be expected that the interests of a competitor company would not be aligned with those of a Fund or its portfolio companies. This may result in a conflict between the relevant individual's obligations to a portfolio company or competing company and the interests of the relevant Fund. In some circumstances, having Adviser Personnel serve as directors or interim executives of a portfolio company of one Fund or another company (including, for these purposes, a portfolio company of any other Fund) may restrict the ability of a Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

Additionally, a portfolio company typically will reimburse Vista or service providers retained at Vista's discretion for expenses (including, without limitation, expenses related to training programs, meetings and other events (to the extent that such programs, meetings or events are attended by portfolio company personnel), certain entertainment expenses (to the extent that such expenses are attributable to portfolio company usage), travel, and travel-related expenses, and expenses relating to recruiting, relocation and background checks for portfolio company positions) incurred by Vista or such service providers in connection with its performance of services for such portfolio company, as well as consulting fees (and other cash and noncash compensation) incurred. This subjects Vista and its affiliates to conflicts of interest because the 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. Vista determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to all Investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Vista or such service provider generally is subject to: (i) agreements with sellers, buyers, and management teams; (ii) the review and supervision of the board of directors of or lenders to portfolio companies; and/or (iii) third-party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

In connection with its services to the Funds and their investments, Vista, its affiliates, and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Vista's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Vista and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Vista Information"). In many cases, Vista Information will include tools, procedures and resources developed by Vista to organize or systematize Vista Information for ongoing or future use. Although Vista expects its Funds and their portfolio companies generally to benefit from Vista's possession of Vista Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Vista and its personnel) and not by the Fund or portfolio company from which Vista Information was originally received. Vista Information will be the sole intellectual property of Vista and solely for the use of Vista. Vista reserves the right to use, share, license, sell or monetize Vista Information, without offset to Management Fees, and the relevant 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 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 Funds, or their respective investors; no such rewards will offset Management Fees.

Vista generally exercises its discretion to recommend to a Fund, or to a portfolio company thereof, that it contract for services with: (i) Vista or a related person of Vista (which may include a portfolio company of such Fund); (ii) an entity with which Vista or its affiliates or Adviser Personnel has a relationship or from which Vista or its affiliates or Adviser Personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Adviser Personnel are seconded, or from which Vista receives secondees; or (iii) certain Limited Partners or their affiliates. Such relationships may influence decisions that Vista makes with respect to the Funds. For example, Vista expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain Limited Partners or their affiliates that are engaged in lending or related business. Such services also include services during the diligence and acquisition process. This subjects Vista to conflicts of interest, because although Vista selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Vista has a potential incentive to recommend the related or other person (including a Limited Partner) because of its financial or other business interest. There is a possibility that Vista, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen, and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Vista) would favor such retention or continuation, even if a better price and/or quality of service could be obtained from another person. Vista will not necessarily seek out the lowest-cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Vista 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. Additionally, from time to time Vista permits certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships these persons have the potential to have information advantages relative to other investors or co-investors. In certain circumstances where Vista commits or has committed to seek "market" or "arms-length" rates or terms, Vista 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. Vista reserves the right to deem third-party investments in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Vista undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Vista reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Vista has a relationship 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.

Vista and its affiliates also reserve the right to, from time to time, employ Adviser Personnel with preexisting ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Vista and/or its affiliates; conversely, former Adviser Personnel of Vista and/or



its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by Vista. In such capacity, this may give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director may conflict with the interests of Funds, but, because the Funds will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned. Compensation (if any) paid to principals and employees for this service is for the benefit of the applicable Fund only and is subject to a Management Fee offset.

Adviser Personnel may also serve as directors, or otherwise be associated with, companies that are competitors of portfolio companies of certain Funds. Portfolio companies may also be counterparties or participants in agreements, transactions, or other arrangements with portfolio companies of other Funds or Companion Funds that may involve fees and/or servicing payments to Vista or its affiliates, which are not subject to Management Fee offsets or otherwise shared with the relevant Funds or Companion Funds.

Certain personnel of Vista (which for the avoidance of doubt, may be separate from VCT (including VCG)) or its affiliates are permitted to be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In some instances, Vista will pay such person's cash and noncash compensation and will pay for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. In other instances, in accordance with the relevant Fund's Governing Documents, the portfolio company will bear such costs and expenses (including by reimbursing Vista), including cash, equity, and other noncash compensation, and such expenses will not be offset against the relevant Management Fee. To the extent Vista receives any fees or expense reimbursement from a portfolio company with respect to such personnel, in the event that employee is not a principal of Vista and is spending a material portion of his or her business time in a nondirector management role at the portfolio company, it is expected that they will not result in any offset against the Management Fees payable by a Fund. In certain instances, whether an individual who provides services to a portfolio company should be characterized as an industry specialist, an employee or former employee of Vista, or a seconded employee may be unclear. In such cases, Vista will make a determination in good faith based on its evaluation of the relevant facts and circumstances, including the types of services provided to the portfolio company and the amount of time such individual dedicates to the portfolio compared to other duties to Vista and the Funds' other portfolio companies or potential portfolio company. To the extent such secondment or engagement is on a part-time basis, Vista will use its discretion in allocating the appropriate costs of such employees amongst the appropriate entities and reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services.

Platform Builds

From time to time, certain Funds may establish or invest in platform companies or similar platform investments that seek to acquire interests in other companies and/or assets. While the relevant Fund would typically be involved in the strategy and oversight of any platform investment, a platform investment typically would retain its own management team to operate, administer and manage the platform on a daily basis. In such cases, the Fund generally will directly or indirectly bear the expenses related to developing and operating the platform investment, including overhead expenses (such as real estate, technology, salaries, bonuses and incentive-based compensation (e.g., equity, a profits interest, options and warrants)), investment sourcing and diligence expenses, transaction fees and other related expenses. Such expenses generally will not offset any Management Fees paid by the Limited Partners and as such the Fund's General



Partner is incentivized to have such platform investments bear expenses that might otherwise have been paid by the General Partner or its affiliate.

Such platform investments create potential conflicts of interest. For example, management teams at platform companies sometimes provide services that are similar to, and that may overlap with, services provided by Vista and its personnel to a Fund, and certain Vista professionals are expected to serve on the boards of, or otherwise provide services to, platform investments. Vista generally will have the ability to influence significantly the form and amount of compensation paid to a platform investment's management team. Members of such a management team also may render services exclusively to the platform or provide the same or similar services to other funds and/or portfolio companies.

Other Potential Conflicts Related to Third Parties

Vista expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Vista information about markets and industries in which Vista operates (or is contemplating operations), or will provide other services that are beneficial to Vista or one or more other Funds. For example, Vista reserves the right to cause a Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Fund; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or a successor Fund rather than the Fund making the payment. Vista expects to be subject to a potential conflict of interest in making such recommendations, in that Vista has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

Related Services

Vista generally is permitted to, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) Vista or a related person of Vista (including but not limited to a portfolio company of a Fund) or (ii) an entity with which Vista or its affiliates or a member of their personnel has a relationship or from which Vista or its affiliates or their personnel otherwise derives financial or other benefit. Such relationships may influence decisions that Vista makes with respect to the Funds. When making such a recommendation, Vista, because of its financial or other business interest, has an incentive to recommend the related or other person, even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

As described in Item 5 above, VCT (including VCG) performs services for portfolio companies and will receive VCT Fees and reimbursements from, actual or prospective portfolio companies or other investment vehicles of the Funds. Consistent with the Funds' Governing Documents, Vista incurs expenses, and a portfolio company reimburses Vista for such expenses (including without limitation travel and travel-related expenses) incurred by Vista in connection with its performance of services for such portfolio company. VCT Fees will be in addition to Management Fees and performance-based fees paid by the Funds to Vista and, subject to certain restrictions in certain Funds' Governing Documents, are not subject to Management Fee offsets, described in Item 5 above.



This creates a conflict of interest between Vista and the Funds and their Investors because the amounts of these fees and reimbursements may be substantial and the Funds and their Investors generally do not have an interest in these fees and reimbursements. Vista generally determines the amount of VCT Fees for services and reimbursements to approximate the cost of annual compensation paid by Vista or its affiliates to VCT (including VCG), including an estimate of Vista's overhead and other fixed costs allocable to VCT, and the amount of time the VCT member spent providing services. The focus of VCT's operations is to improve the operational results of the Funds' portfolio companies in a manner that improves the Funds' investment returns rather than generating an independent profit in the manner of a third party performing the same services. Vista reserves the right to adjust the rates charged to portfolio companies for services by VCT to account for the fluctuations in expenses and revenue based on usage volatility of portfolio companies and to ensure VCG is operated in a manner to achieve breakeven results.

Fees Received by the Credit Funds

Portfolio companies of the Equity Funds and Perennial Fund pay arranger fees in connection with debt issued by such portfolio companies. In instances where one or more Credit Funds participate in such debt issuance, the participating Credit Fund(s) have and may in the future receive their pro rata share of arranger fees or other economics and such fees will not offset any Management Fee of the Equity, Perennial, or Credit Funds.

Valuation of Assets

As indicated in Item 8 above, the Equity and Credit Funds regularly, and the Hedge Funds infrequently, will hold securities and financial instruments that do not have readily available market quotes. Vista will value such securities and financial instruments in good faith at fair value based on various factors, including external pricing sources (if any), recent trading activity (if any), or other information aimed at a relative value assessment process that incorporates, among other factors, in the discretion of Vista and the General Partner, current market conditions, position size, trends, and prices. Such valuations may vary from similar valuations performed by independent third parties for similar types of securities and financial instruments. Inaccurate valuations may, among other things, prevent the Funds from effectively managing their investment portfolios and risks, may affect the diversification and risk management of the Funds, may affect the net asset values at which interests are issued and withdrawn, and may affect the amount of Carried Interest or incentive received by Vista and/or its affiliates, or the timing of receipt of Carried Interest could be incorrect, creating a conflict of interest between the Funds and its Investors and Vista.

Management of the Funds

The Funds will, from time to time enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangements when Vista determines it is in the best interests of the Funds.

Side Letters and Relationships with Investors

As discussed in Item 4, Vista or the General Partner of a Fund reserves the right to enter into side letters or other similar agreements with certain Investors in connection with their admission to such Fund without the approval of any other Investor. The side letters or similar agreements may have the effect of establishing rights (including economic or other rights) under, altering, or supplementing the terms of the Governing Documents of the applicable Fund with respect to one



or more such Investors in a manner more favorable to such Investors than those applicable to other Investors. Such rights may provide (or may provide in the future) such Investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Vista's compensation, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Governing Documents), information, notice or reporting rights, priority co-investment rights or targeted co-investment amounts, rights to opt out of particular investments, rights to serve on the Fund's advisory committee, liquidity or transfer rights, withdrawal rights, confidentiality protections and disclosure rights, modification of default remedies, consent rights to certain amendments to the Fund's Governing Documents, as well as economic procedural and other terms.

Vista is likely to have its own economic and/or other business incentives to provide certain terms to certain Limited Partners *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a Limited Partner to provide sourcing or other services to Vista, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Vista, its affiliates and personnel, or the Funds. Further, side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Vista, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side Letters subject Vista to potential conflicts of interest, including in circumstances where an Investor's right to serve on the relevant Fund's 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 Limited Partner at the expense of the relevant Fund or of Limited Partners as a whole, including in the event that a side letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund. As a consequence of one or more Limited Partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or nonparticipating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a Limited Partner defaults on a drawdown in respect of an investment. Although Vista believes it to be unlikely, excuse or other rights requested or received by one or more Limited Partners (or such regulatory, tax or other factors applicable to such Limited Partners) representing a substantial percentage of a Fund have the potential to create significant variations in Limited Partner investment returns, or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A Limited Partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more Limited Partners' voting rights generally will increase the voting rights percentage of other Limited Partners in the relevant Fund. Further, Limited Partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.



Vista has no obligation to offer all such additional rights, terms, or conditions, to any other Investors in the Funds, except to the extent required by the Governing Documents of the applicable Funds. Once invested in a Fund, Investors generally cannot impose additional investment guidelines or restrictions on such Fund. In addition, side letter arrangements with certain investors of the Funds impose additional restrictions on investing in certain types of assets, geographies, or industries in order to meet certain legal, tax, regulatory, internal policy, or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Fund.

In addition, certain Investors in the Funds are also strategic Investors who are either directly or indirectly invested in Vista or otherwise have entered into a strategic relationship or co-sponsorship with Vista, and Vista provides such strategic Investors rights that it does not provide to all prospective Investors and/or Limited Partners, which may include preferential economic, liquidity, and/or investment opportunity rights, as well as access to portfolio company management teams. In addition to these conflicts of interest for Vista, Vista's relationship with strategic Investors or co-sponsors may lead to conflicts of interests for the strategic Investors or co-sponsors because those parties may have conflicting interests from other Limited Partners as a result of their broader relationship with Vista.

Other Relationships with Investors, Prime Brokers, and Other Counterparties and Service Providers

Vista generally has an incentive to recommend the products or services of certain Investors, including strategic Investors, prospective investors, and third parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

A Limited Partner or Investor in a Fund, a prime broker, another counterparty, or service provider of a Fund, or an affiliate, may provide services directly to, or enter into financial transactions with, Vista or its affiliates and/or may enter into relationships with the Funds. Among other things, a prime broker, another counterparty, or service provider, or its affiliates, have and may in the future invest in the Fund with which it is providing services or another Fund. To the extent a prime broker, other counterparty, service provider, or an affiliate provides services to Vista or its affiliates and/or enters into financial transactions with any of them (including by making investments in Funds), Vista's interests may conflict with the Fund's interests in connection with Vista's decision to cause the Fund to select or retain the prime broker, or other counterparty, or service provider, or in connection with Vista's negotiation with the prime broker, or other counterparty, or service provider of the economic terms on which the prime broker, or other counterparty, or service provider provides its services to the Fund.

In addition, the Fund's prime brokers, other counterparties, and service providers may provide Vista with additional services beyond the custodial, clearing, lending, transactional, and other services they provide the Fund. These may include consulting, marketing, and other services that are not directly for the Fund's benefit. To the extent it obtains these or other services from a prime broker, other counterparty, or service provider, Vista has a conflict of interest because it has a potential incentive to cause the Fund to select one prime broker, counterparty, or service provider over another, to pay higher compensation (such as margin interest and charges for borrowed securities in connection with short sales, or other amounts), and/or to effect more transactions through a prime broker, counterparty, or service provider (possibly at higher rates), all to induce such prime broker, counterparty, or service provider to provide those services at a price lower



than Vista would have to pay other providers. To the extent the rates Vista pays for services it receives from a prime broker, counterparty, or service provider are lower than market rates, the Fund may be viewed as bearing a portion of the costs of those services and thus providing Vista with additional compensation.

Additionally, portfolio companies of the Equity Funds and Perennial Fund have been, and are expected in the future to become, counterparties or participants in agreements, transactions, or other arrangements with portfolio companies of other Equity Funds and the Perennial Fund that involve fees and/or servicing payments to Vista or its affiliates. For example, portfolio companies are generally afforded the option (but are not required to) participate in a program with Vista, its affiliates, and other portfolio companies pursuant to which VCT (including VCG) negotiates favorable procurement arrangements. As part of this program, Vista and VCT (including VCG) also from time to time have and may in the future receive the favorable procurement arrangements. Fees associated with these programs are shared by the portfolio companies choosing to participate in the program, as well as Vista and VCT (including VCG) to the extent participating (such fees being designed to cover the cost of administering the program). These fees, as well as any other fees or payments received by Vista and its affiliates as a result of agreements, transactions or other arrangements between portfolio companies, generally are not subject to Management Fee offsets or otherwise shared with the relevant Funds. Vista will generally have a conflict of interest in making such recommendations, in that Vista has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service. In most cases, the relevant Fund(s) will not consent, participate in the negotiations, or be directly involved in such arrangements. While Vista may have a conflict of interest because the economic benefit may incentivize Vista to maintain such arrangements, Vista believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and Vista's benefits from such arrangements are reduced because Vista only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with, Vista will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

Vista and/or its affiliates may engage certain service providers to provide services to Vista, the Funds, and/or the portfolio companies. Certain of the Funds' Government Documents permit Vista or its affiliates to receive offering, placement, syndication, underwriting, solicitation or similar fees, commissions, or other transaction-based compensation in connection with services provided by an affiliate registered broker-dealer to the applicable Fund or its current portfolio companies or prospective portfolio companies. Such fees would generally not offset any Management Fees. Although Vista has not formed or historically utilized a registered broker-dealer affiliate to provide such services or received such fees, Vista reserves the right to do so in accordance with the Funds' Governing Documents. Such service providers or their affiliates are, in certain circumstances, investors in a Fund and may include, for example, investment bankers, outside legal counsel, pension consultants, and/or other investors who provide services (including mezzanine and/or other lending arrangements). The engagement of any such service provider may be concurrent with an Investor's admission to a Fund, or during the term of such Investor's investment in the Fund. This creates a conflict of interest, as Vista could give such Investor preferred economics or other terms with respect to its investment in a Fund, enhanced information, or has a potential incentive to offer such Investor co-investment opportunities that it would not otherwise offer to such Investor.



Vista and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

Vista and its affiliates reserve the right, from time to time, to hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target, or service provider. Although Vista uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee that Vista can control all such conflicts of interest and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

Services required by a Fund (including some services historically provided by Vista or its affiliates to the Funds) may be, for certain reasons including efficiency and economic considerations, outsourced in whole or in part to third parties or licensed software, in each case in the discretion of Vista or its affiliates. This can create a conflict of interest because Vista and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Adviser Personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, trading, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Funds and, accordingly, certain costs may be incurred by a Fund for a third-party service provider that is not incurred for comparable services by other Funds. The decision by Vista to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and Vista has no obligation to inform such Funds or investors of such a change. Such services may also supplement or be performed alongside services performed by Vista. The costs and expenses of any such third-party service providers will be borne by the relevant Funds. Vista may also elect to allocate costs associated with providing in-house legal, administrative, accounting, finance, tax, capital markets, compliance, ESG or other similar services to the Funds and/or portfolio companies, as described above.

Third-party advisors and service providers often charge different rates, including discounted or below-market or no-fee rates, or otherwise have different arrangements for specific types of services. For example, the fee for a particular type of service may vary based on the complexity of the matter, the expertise required, demands placed on the service provider and the volume of various matters and services. Therefore, to the extent the types of services used by a Fund are different from those used by Vista or its affiliates, or other Funds or their portfolio companies or any of their respective affiliates, any of the foregoing may pay different or preferential amounts or rates than those paid by a Fund or its portfolio companies with respect to any particular advisor or service provider. Vista reserves the right to make all determinations regarding any such differential rates or arrangements with respect to each Fund in its sole discretion.

Current and former officers and executives of portfolio companies may also invest in a Fund. While Vista believes this aligns portfolio company management teams with the best interests of the Fund, Vista may, in certain circumstances, be incentivized to take (or refrain from taking)



certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, Vista may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by Vista to a portfolio company may have adverse consequences to the portfolio company owned by another Fund. The performance and operations of a competitor, customer, or service provider portfolio company could conflict with, and adversely affect the performance and operations of another portfolio company, or could adversely affect prices, business opportunities, or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increase its own prices, purchase assets from, or sell assets to, another portfolio company, or commence litigation against another portfolio company or prevent one portfolio company from commencing litigation against another portfolio company.

Additionally, Adviser Personnel and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships can influence Vista in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company. Vista will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in the Funds, will provide Vista information about markets and industries in which Vista operates, or will provide other services that are beneficial to Vista and/or will provide financial sponsorship of events held by Vista (such as transaction closing dinners or outings, or informational summits or training events for Vista or portfolio company personnel). Although Vista selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that Vista, because of financial, business interest, or other reasons, may favor such retention or continuation, even if a better price and/or quality of service could be obtained from another person.

Certain other service providers to Vista, the Funds and/or the portfolio companies, or affiliates of such service providers, may also provide goods or services to or have business, personal, financial, or other relationships with Vista, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also be a source of investment opportunities, be co-investors or commercial counterparties or entities in which Vista and/or the Funds have an investment, and payments by a Fund and/or such portfolio companies may indirectly benefit Vista and/or such Fund.

Investors may be introduced to Vista, or may be brought into a Fund, by a third-party consultant from which Vista or a related person purchases products and to which Vista or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

Vista, its personnel, the Funds, and the portfolio companies of the Funds will, from time to time, engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to Vista, its personnel, the Funds, and/or the portfolio companies. For example, fees for various types of work often



depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, Vista or its personnel may receive a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company or may receive a discount on services, even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between Vista and its personnel, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that Vista will favor the engagement or continued engagement of such persons if it, or its personnel, receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. Neither the Funds nor investors in the Funds will receive the benefit of any such favorable rate or discount provided to Vista, its personnel or its affiliates, and the Management Fee paid by any Fund will not be reduced in connection with such favorable rate or discount.

Vista or its affiliates engages certain service providers (including law firms) on behalf of the Funds and personnel of such service provider have in the past and may in the future be seconded to Vista or its affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. Vista is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Vista, its affiliates and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in Vista's discretion taking into consideration the usage of such personnel. In such circumstances, a conflict of interest exists because Vista or its affiliates have an incentive to select one service provider over another on the basis that Vista or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not Vista or its affiliates.

Vista from time to time is permitted to cause the Funds to bear the full cost and expense of engaging certain service providers on behalf of a portfolio company. In the event a Fund is not the sole shareholder of the portfolio company, other shareholders will benefit from the costs incurred by such Fund and will not reimburse the Fund for their pro rata portion of the cost of any such service provider.

Certain members of a Fund's Advisory Committee are, or in the future may be, officers or directors of, or otherwise affiliated with, Investors in another Fund.

The General Partner of a Fund will from time to time utilize the services of Investors and their affiliates on an arm's-length basis with commercially reasonable terms, as it deems appropriate.

Non-VCT Consultants

As described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to, and reimburse expenses of, third-party consultants (including consultants introduced or arranged by Vista, VCT (including VCG), and/or their affiliates that may regularly provide services to one or more portfolio companies or prospective portfolio companies) (including entities formed for the benefit of such persons and/or to facilitate the provision of their services), and such amounts do not offset or reduce the Management Fee as described herein. Consultants are expected from time to time to include former employees of Vista or certain portfolio companies, and in some circumstances, former consultants are expected to become Vista employees or employees of portfolio companies. Consequently, the determination of whether individuals are consultants is expected to vary and/or be revisited from time to time, which poses potential



conflicts of interest where certain changes in status or categorization would reduce costs that Vista otherwise would be required to bear. Consultants generally may provide services in relation to the identification, acquisition, holding, improvement, and disposition of portfolio companies, including operational aspects of such companies, and from time to time also provide “front office” functions with respect to a Fund, such as sourcing or other investment-related functions (such services, collectively, “Consultant Services”). Consulting Services may also include serving in management or policy-making positions for portfolio companies. These services may be high-level insight or extensive day-to-day roles, and may include support to the General Partner or portfolio companies regarding, among other things, the company’s management (including serving in management positions or participating in determining corporate strategy), the company’s supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, cybersecurity, corporate communications, customer service, sustainability (including strategy, policy, and reporting development), real estate matters, and similar operational matters. The nature of the relationship with each such consultant and the time devotion requirements of each such consultant may vary significantly. Certain consultants may be subject to contractual obligations to exclusively provide certain services to the Funds and/or the portfolio companies or prospective portfolio companies. Consultants may be offered the ability to co-invest alongside Funds or to be offered the opportunity directly by the portfolio company to invest in the company, including in investments in which the consultant is involved or participates in the management thereof. These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated Consultant Services to be provided. In certain cases, consultants have attributes of Adviser Personnel (for instance, they may have dedicated office space, receive Vista administrative support, participate in general meetings or events for Adviser personnel, have a Vista e-mail address or business cards), even though they are not employees, affiliates, or personnel of Vista. Consultants may make use of Vista resources or otherwise be associated with Vista.

Pursuant to the Governing Documents of the Funds, fees, expenses, and any attributable overhead of consultants (collectively, “Consultant Compensation”) may be paid and/or reimbursed by Vista, the portfolio companies and/or the Funds. Consultant Compensation, including compensation paid to a consultant that is an affiliate or employee of Vista or its affiliates, will be determined at the discretion of the General Partner taking into account the particular Consultant Services and may include reimbursement of an allocable portion of an affiliated consultant’s compensation (including, without limitation, salary, bonus, payroll taxes and benefits) and overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces), as well as cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transactions fees, participation interest or securities of a portfolio company or holding company, and/or a share of proceeds upon sale of a portfolio company or holding company (including interests financed by a loan from a Fund). Consultants also may have a limited partner interest in the General Partners and/or one or more Funds, may receive remuneration from Vista and/or its Funds or affiliates, and/or be entitled to other forms of compensation, the amount of which will generally be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such consultants, hours worked by a consultant, a percentage of the value of a portfolio company, or amounts charged by other providers for comparable services. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund’s investment and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the



costs of all Consultant Compensation, as well as fees, costs, and expenses of structuring Consultant arrangements. Consultants have also received and expect to receive in the future expense reimbursements (including reimbursements for travel and other costs in connection with their services). Such investment opportunities, reimbursements, and other compensation paid to a consultant will not offset the Management Fee of any Fund as described herein.

In the event one or more consultants (directly or indirectly) is providing services with respect to the Funds, such consultant's expenses will be allocated among the Funds as determined by Vista, as applicable in a manner it believes to be fair and equitable to the Funds under the circumstances over time, consistent with the applicable Governing Documents and as described elsewhere herein. To the extent any such consultant's expenses are payable to any affiliated consultant by the Funds or a portfolio company, such expenses will be retained by such consultant and will not reduce the Management Fee or any other fees otherwise payable to Vista or its affiliates and will not benefit the Fund or its investors, even if the consultant paid by a Fund or a portfolio company have the effect of reducing any retainers or minimum amounts otherwise paid by Vista. The determination of whether Consultant Compensation is paid by a portfolio company, a Fund or Vista will be made by Vista in its sole discretion. Vista's determination as to whether a service is a Consultant Service, the categorization of any fees and expenses, and the allocation of such fees and expenses shall be binding on the Fund and its Investors. Over time, certain existing and former employees of Vista (including senior personnel) may transition to a consultant role, which may shift the burden of compensating such persons from Vista to the applicable Fund and/or portfolio company and any fees received by such persons will not reduce the Management Fee, and the use of consultants is expected to fluctuate and/or expand over time. To the extent that consultants are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the consultant's services at a time when fewer portfolio companies or Funds make use of such consultant. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the consultant. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of consultants. In such cases, where the relevant General Partner believes the services of the consultants will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from consultant services.

Although Vista seeks to retain consultants with a view to reducing costs to portfolio companies and, ultimately, the Funds, a number of factors may result in limited or no cost savings from such retention. Vista also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Vista believes will align such persons' interests with those of the Funds' Limited Partners and seeks to retain only consultants and service providers that it believes provide a level of service at a value generally consistent with other relevant market alternatives. 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 lesser cost.



Diverse Membership

The Investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such Investors often have conflicting investment, tax, and other interests with respect to their investments in a Fund. The conflicting interests among the Investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments, and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by Vista or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one Investor than for another Investor, especially with respect to Investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, Vista and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax, or other objectives of any Investor individually.

Advisory Committee Rights

Generally, each Equity Fund, Perennial Fund, and Credit Fund has established an Advisory Committee and the Hedge Funds may establish an Investor Committee, consisting of representatives of Investors. A conflict of interest may exist when some, but not all Limited Partners are permitted to designate a member to an Advisory or Investor Committee because those designating Limited Partners will, for instance, have greater information rights. The Advisory or Investor Committees may also have the ability to approve conflicts of interests with respect to Vista and the applicable Fund, which could be disadvantageous to the Investors, including those Investors who do not designate a member to an Advisory or Investor Committee.

In addition, members of one Fund's Advisory Committee may also be a member of another Fund's Advisory Committee. In such instances, a conflict of interest exists because the Funds on which such overlapping Advisory Committee members may have conflicting interests and such Advisory Committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

Representatives of a Fund's Advisory Committee may have various business and other relationships with Adviser Personnel and Vista affiliates. These relationships may influence the decisions made by such members of the Advisory Committee.

Special Purpose Acquisition Companies ("SPACs")

A SPAC is typically a publicly traded company formed for the purpose of raising capital through IPO to fund the acquisition, through a merger, capital stock exchange, asset acquisition, or other similar transaction (each, a "Transaction"), of one or more undervalued operating businesses. Following the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. Capital raised through the IPO of securities of a SPAC is typically placed into a trust until the target company is acquired or a pre-determined period of time elapses. If a SPAC needs additional capital in order to complete a Transaction (e.g., the acquisition cost of its target company exceeds the funds available to the SPAC), it may utilize a PIPE or FPA with a select investor or group of investors. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired and such target company's value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things:



(i) such SPAC may not be able to locate or acquire target companies by the deadline; (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC; (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in “blank check” companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules; (iv) such SPAC may only able to complete one Transaction, which may cause it to be solely dependent on a single business; (v) the value of any target company may decrease following its acquisition by such SPAC; (vi) the value of the funds invested and held in the trust decline; (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition; (viii) the SPAC sponsor is unable to secure additional financing through a PIPE or FPA to effect the Transaction; and (ix) if the SPAC is unable to consummate a Transaction, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, most SPACs are illiquid and have a concentrated shareholder base that tends to be composed of hedge funds (at least at inception).

The Funds may invest in a SPAC (either directly in the SPAC’s shares or through a PIPE or FPA) that, at the time of investment, has not selected or approached any prospective target businesses with respect to a Transaction. In such circumstances, there may be a limited basis for the Fund to evaluate the possible merits or risks of such SPAC’s investment in any particular target business. To the extent that a SPAC completes a Transaction, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

Further, the Funds are permitted to invest in entities that will sponsor SPACs and, in such circumstances, would bear the associated expenses, which, among other things, are used to fund certain offering expenses, the upfront portion of the underwriting discount, and the working capital of the applicable SPAC. In exchange for supplying the “at-risk capital” of a newly formed SPAC, the Funds sponsoring the SPAC may receive the sponsor shares from the applicable SPAC. As sponsor, a Fund could lose the at-risk capital invested in a SPAC and such sponsor shares could become worthless if the SPAC is not successful and is unable to locate and consummate a Transaction or gain approval for the Transaction from the SPAC’s shareholders within the specified time period.

Vista and/or its affiliates are also permitted to sponsor one or more SPACs (without the Funds participating in sponsoring the SPAC) and, in connection therewith, may receive sponsor shares in such SPAC and for the avoidance of doubt, any amounts earned with respect thereto will not reduce the Management Fee or be for the benefit of the Funds except to the extent provided in the applicable Governing Documents. The issuance of sponsor shares would have an indirect dilutive effect on the interests of the entity (e.g., a Fund) investing in the SPAC to the extent the Fund does not own the SPAC sponsor. Based on the investment strategy typical for a SPAC, such activity will not be subject to the restrictions on the formation of a successor Fund or the outside investment activity restrictions set forth in the Governing Documents of the Funds. Conflicts may arise as a result of such activities, including in the event that any such SPAC enters into a transaction with a portfolio company of any Fund or in the event that a Fund determines to make an investment in any such SPAC, in the event that a Fund determines to make an investment or commit to make an investment in the future alongside the SPAC, and in allocating Adviser Personnel time.

In particular, if a Fund (after obtaining any applicable LPAC approval) commits to invest in a Vista-sponsored SPAC’s IPO, conflicts of interest arise with respect to the “at-risk” capital (described



below) and receipt of management shares which, as discussed above, will not reduce the Management Fee. In order to launch a SPAC, it is necessary for a SPAC's sponsor to commit "at-risk" capital at the time of the IPO, which the sponsor loses if a Transaction is not consummated. If Vista or an affiliate commits to fund this "at-risk" capital, Vista or such an affiliate could be incentivized to pursue a deal to avoid losing the "at-risk" capital. Additionally, the sponsor shares will only have value to the extent a Transaction is consummated. Investment by a Fund in the SPAC (or a commitment by a Fund to invest in the SPAC) indirectly benefits Vista as the sponsor of the SPAC as such investment or commitment increases the likelihood of a successful Transaction by providing committed capital for the Transaction. In addition, if a Fund invests in a Vista-sponsored SPAC, in addition to its receipt of Management Fees and Carried Interest, Vista or an affiliate would also have an interest in the sponsor shares in the SPAC, which could act as a dual layer of fees/expenses borne by the Fund.

In addition, Vista may pursue a Transaction where one or more portfolio companies are the targets of a SPAC sponsored by a third party. In such Transactions, the SPAC sponsor may also need to raise additional financing in the capital market through a PIPE or FPA, creating risk that a Transaction will not be effected as a result of overall market conditions and the inability of a SPAC sponsor to raise such additional funds.

Additional potential conflicts of interest arise if the Transaction is between a Vista-sponsored SPAC and a portfolio company of a Fund. The sponsor of a SPAC is incentivized to find a target for a Transaction to avoid loss of "at-risk" capital, and in order for the sponsor shares to have value, and Vista or an affiliate would likely receive Carried Interest upon the sale of the portfolio company to the SPAC. All of these factors would incentivize Vista to consummate a Transaction, including with a Vista portfolio company.

Vista will seek to resolve such conflicts in a manner that Vista deems fair and equitable to the extent possible under the prevailing facts and circumstances and that is consistent with the Governing Documents of the applicable Fund and of such SPAC, but there can be no assurance that such conflicts would be resolved in a manner beneficial to the Fund.

Potential Conflicts Related to Future Strategies and Products

Vista could in the future expand its investment management services beyond the Funds, including through single investor funds, managed accounts, overage funds, funds with different return profiles, regulatory obligations, operational strategies, target investment sizes, geographic focuses or expected hold periods, SPACs (as described above), business development companies, companion funds, continuation funds in connection with a Fund restructuring and/or other specialized investment vehicles (collectively, "Other Products"), that in some cases may have overlapping investment strategies or targeted investments with one or more of the Funds. Further, the General Partner and its affiliates are not restricted from organizing or investing through any successor funds to investment funds in existence as of the effective date or any managed account or other similar arrangement. While no Other Products have been established as of the date of this brochure, to the extent any Other Products are formed in the future, similar potential conflicts of interest as those disclosed in this section of the brochure may apply, including those described in "Allocation of Investment Opportunities" and "Conflicts Related to Purchases and Sales" above.

To the extent that Other Products give rise to additional potential conflicts of interest not specifically described herein, there can be no assurance that Vista will identify or resolve all such



conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is most favorable to a particular Fund.

Other Potential Conflicts

The Governing Documents of a Fund establish complex arrangements among the Funds, Vista, Investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. While Vista will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its Investors.

Adviser Personnel have family members that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial, or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel, or owners of companies which are actual or potential investments of the Funds or other counterparties of the Funds and the portfolio companies. Moreover, in certain instances, the Funds or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or in respect of which such family members have other involvement.

Funds often will engage common legal counsel and other advisers to represent all of the Funds and multiple Funds participating in a particular transaction, including a transaction in which Funds have conflicting interests (e.g., cross transactions and other affiliated transactions) because they are investing in different securities of a single company. In the event of a significant dispute or divergence of interest between Funds, such as in a work-out or other distressed situation, separate representation may become desirable, in which case Vista may hire separate counsel on behalf of the Funds in its sole discretion, and in litigation and other circumstances, separate representation may be required. Law firms engaged to represent Funds, partners in those firms, or entities affiliated with those firms may be Investors in such Fund, or other Vista Funds, and also may represent one or more portfolio companies or Limited Partners of such Fund, other Funds, and/or Related Funds.

Vista has caused in the past, and may from time to time in the future cause, one or more Funds to purchase, and/or bear premiums, fees, costs, and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable General Partner, Vista, and/or Adviser Personnel, agents, representatives, members of a Fund's Advisory Committee, and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs, and expenses for one or more "umbrella" or other insurance policies maintained by Vista that cover one or more Funds and/or Vista (including Adviser Personnel and their respective agents, representatives, members of the advisory committee, and other indemnified parties). Vista will make judgments about the allocation of premiums, fees, costs, and expenses for such "umbrella" or other insurance policies among one or more Funds, and/or Vista on a fair and reasonable basis and may 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 Fund bearing less (or more) premiums, fees, costs, and expenses for insurance policies.

Further, the relevant liability standards under insurance coverage procured by Vista are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for



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

Vista's affiliates and/or Adviser Personnel may invest in other funds or investment vehicles managed or advised by persons or entities unaffiliated with Vista, and such other funds or vehicles, in turn, may own or invest in portfolio companies, real estate, or other assets. The Funds and/or their respective portfolio companies may enter into transactions with or otherwise do business with such other funds or vehicles, or with such other funds' or vehicles' portfolio companies, or otherwise with respect to such other funds' or vehicles' assets. Any of these situations subjects Vista and/or its affiliates and Adviser Personnel to potential conflicts of interest.

Vista and/or its affiliates have entered into, and may in the future enter into, certain purchasing arrangements with one or more portfolio companies as well as one or more product and service providers (e.g., software and related products and IT services, office equipment, D&O, cybersecurity and other insurance, employee benefits, meeting and event management services, employee training and recruiting, and other administrative and similar products and services) on behalf of its Funds' and portfolio companies as well as itself. Certain of these agreements, transactions and arrangements involve fees, servicing payments, rebates, and/or other benefits to Vista or its affiliates.

Vista facilitates and encourages its portfolio companies to enter into agreements regarding group procurement of services and products that offer better vendor pricing which results from the participation by portfolio companies, and in some cases, depend on the volume of products and services purchased under these agreements. Vista and its affiliates also participate in some of these arrangements, and may also realize better pricing, discounts, or rebates. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. While Vista's reduced pricing may incentivize it to maintain such arrangements, Vista believes that the purchasing portfolio companies benefit as a result of their access to quality products and services at beneficial pricing, and that any potential for conflicts of interest resulting from Vista's benefits from such arrangements are mitigated by the fact that it benefits on a *pari passu* basis with the other portfolio companies.

In cases where the supplier is itself a portfolio company, Vista believes that such portfolio company and its Investors (including the Fund and any co-investors that own such portfolio company), also benefit from the increased revenue earned by such portfolio company from such arrangement. Under these arrangements, a particular portfolio company may benefit to a greater degree than the other participants, and the Vista Fund(s) that own an interest in the portfolio company will receive a greater relative benefit from the arrangement than other Vista Funds. Fees paid by portfolio companies pursuant to these arrangements are not subject to Management Fee offsets or otherwise shared with Vista Funds.

The Governing Documents of certain Funds permit each such Fund's General Partner to withhold information from certain Limited Partners or Investors in such Fund in certain circumstances. The General Partner may elect to withhold certain information to such Limited Partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such Limited Partners of receiving such information.



Any of these situation subjects Vista and/or its affiliates to potential conflicts of interest. Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which Vista and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.



ITEM 12: BROKERAGE PRACTICES

Broker Usage and Selection

The Hedge Funds will regularly, and at certain times the Equity Funds and Perennial Fund will, invest in public companies and require a broker-dealer to trade in such securities. Additionally, the Credit Funds may utilize broker-dealers to trade in debt instruments on the secondary market and may pay markups or other commission to such firms for their services. Subject to the investment objectives, policies, and restrictions of the Funds as set forth in the Funds' Governing Documents, Vista has the authority to select a broker-dealer and to negotiate commissions and other compensation to be paid in connection with these transactions.

In determining the broker-dealers through which to initiate securities transactions for Funds, it is Vista's policy to obtain quality execution at the most favorable prices. In selecting a broker-dealer, Vista reserves the right to consider various relevant factors, although no one factor is determinative in the decision-making process. They include, but are not limited to: best price; current market conditions; time constraints; liquidity; volatility in the markets; volatility in the particular type of security or asset; size and type of transaction; the nature and character of the market for the security or asset in the transaction; confidentiality; execution efficiency; settlement capabilities; financial condition of the broker-dealer; full range and quality of the broker-dealer's services; the responsiveness, reputation, reliability, and experience of the broker-dealer; the reasonableness of any commissions or spreads, difficulty of execution, ability and willingness to commit capital to the transaction; past effectiveness in executing illiquid or difficult types of securities or assets or difficult types of orders; and the value of brokerage and research services provided. Accordingly, the transactions will not always be executed at the lowest available price or commission.

In order to monitor best execution, Vista's Best Execution Committee will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of Vista and each Fund.

Soft Dollar Usage

In addition to the factors considered above, Vista reserves the right to take into consideration the receipt of brokerage and research products and services in connection with brokerage transactions. When appropriate under its discretionary authority and consistent with the duty to seek best execution, Vista reserves the right to direct brokerage transactions for client accounts to broker-dealers who provide Vista with such products and services. The brokerage commissions used to acquire such products and services in these arrangements are known as "soft dollars."

Broker-dealers typically provide a bundle of services, including both research and brokerage (e.g., research ideas, investment strategies, block positioning capabilities, clearance, settlement, and custodial services). The research provided can be either proprietary or third party. Broker-dealers do not generally charge separate fees for proprietary research and brokerage services. Vista reserves the right to direct brokerage transactions to acquire either type of research and execution services.

Section 28(e) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, provides a "safe harbor," which allows an investment adviser to pay for research and brokerage products and services with commission dollars generated by



transactions. In determining whether a service or product qualifies as research or brokerage, Vista evaluates, among other things, whether the service or product provides lawful and appropriate assistance to Vista in carrying out its investment decision-making responsibilities. Vista limits its use of soft dollars to pay for research and execution services that fall within the safe harbor.

Vista uses soft dollars to pay for a portion of “mixed use” items (products or services that include both safe harbor eligible research/brokerage elements and non-safe harbor eligible research/brokerage elements). In such cases, Vista has a conflict of interest in allocating the costs of such services between those that primarily benefit Vista and those that primarily benefit its Funds. In these cases, Vista makes a good-faith allocation of the portion of those services used for non-research purposes and pays directly for such portion of those services. Accordingly, the approval for any mixed-use product will also include an approved allocation methodology, as detailed within Vista’s soft dollar policy.

Vista benefits from the research and services that it receives because it does not need to pay for or generate the research internally, and this benefit could incentivize Vista to select a counterparty based on its interest in receiving research rather than Investors’ interests in receiving the most favorable execution available.

Order Aggregation

When transacting in the same publicly-traded security for two or more Funds, Vista reserves the right to aggregate the orders into a single order (“bunched order”) if Vista, in exercising reasonable judgment at the time of the aggregation, believes the bunched trade is reasonably likely to result in an overall economic benefit to each Fund. Such determination is based on an evaluation that the Fund will benefit from relatively better purchase or sale prices, lower commission expenses, or better timing of the transactions, or a combination of these and other factors. In instances where the execution prices are different due to the volume and execution time of the securities transacted, each of the Funds will generally receive the average transaction price.

In the event a bunched order is only partially executed, the executed portion of combined transaction orders for two or more Funds will be allocated, when possible, on a pro rata basis (to the nearest round lot), with each Fund receiving a percentage of the executed portion of the order based upon each Fund’s percentage of the original order. This policy will apply to all Funds participating in the execution under the same trading circumstances (price limits, time of entry, etc.). The allocation will be made at the average execution price or at prices mathematically closest to the average price. Every effort will be made to use a single average price in such allocations; the documentation will be maintained by the executing broker. The executing broker will provide an average price for the day for the execution(s) unless the orders are placed separately with a wide discrepancy in price paid/received.



ITEM 13: REVIEW OF ACCOUNTS

Equity, Perennial, and Credit Funds

The investment portfolios of the Equity, Perennial, and Credit Funds are generally private, relatively illiquid, and long-term in nature. Vista's review of these Funds is not directed towards a short-term decision to dispose of securities. However, Vista closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies.

Hedge Funds

Each Hedge Fund's investment team reviews the Hedge Fund portfolio daily. Additionally, the Hedge Funds are reviewed regularly to assure conformity with the objectives and guidelines of the Hedge Fund's Governing Documents. Additional or focused reviews can be triggered by factors such as political and economic developments, corporate announcements, and changes in market conditions.

Reporting

Vista provides investment advisory and administration services to the Funds and employs outside administrators to provide administrative and accounting services to the Funds and Investors. Each Investor typically receives a quarterly statement from Vista and annual audited financial statements for such Fund. Outside tax, accounting, and legal professionals are engaged on an as-needed basis to assist with year-end financial and tax reporting and other complex administrative issues. Vista and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more Investors in such Fund as they deem appropriate.



ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

For details regarding economic benefits provided to Vista by nonclients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, Vista, and its related persons, in certain instances, receive discounts on products and services provided by portfolio companies of the Funds and/or the customers or suppliers of such portfolio companies.

While Vista does not engage in client solicitation arrangements, Vista has in the past entered into agreements to compensate third parties for Investor referrals and expects to enter into similar agreements or arrangements in the future. These arrangements are intended to comply with the applicable rules and regulations of the Advisers Act. Details of how the costs of any such placement agent or referral arrangement are to be borne, either by Vista or the Investor will, if applicable, be set forth in a written agreement with such placement agent and, as required, disclosed to Investors, either through inclusion in the Governing Documents of the relevant Fund or co-investment vehicle, or by separate notice or agreement. Investors should be aware that the receipt of compensation by a placement agent or third-party solicitor creates a potential conflict of interest and may affect the judgment of the placement agent or solicitor when making a recommendation for an investment with Vista. In addition, any third-party compensation arrangement will comply with federal and state laws regulating third-party compensation.

Mr. Smith, and certain of his family members, are associated with, and Mr. Smith currently serves as Chairman of PriviEdge. From time to time, Vista may engage PriviEdge to place the securities of its Funds with non-U.S. investors. As indicated in Item 5 above, fees and expenses payable to PriviEdge in connection with such placement generally will be borne by Vista indirectly through an offset against the Management Fee under the Governing Documents. Any such fees and expenses will generally be attributed only to the specific Investors brought in by PriviEdge and will have no impact on any other Investors.

For additional information regarding other compensation, please see Item 5 above.



ITEM 15: CUSTODY

Vista generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “Custody Rule”)) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the qualified custodians identified in Form ADV Part 1.

Vista relies on the “pooled investment vehicles” exemption from the reporting and surprise audit obligations imposed by the Custody Rule. Accordingly, the Funds are generally subject to a year-end audit by a major accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying investors of the Funds within 120 days of the end of the fiscal year.



ITEM 16: INVESTMENT DISCRETION

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the Investors in the Funds. Vista, subject to the investment policies, objectives, and limitations set out in the Governing Documents of the Funds, has full discretionary authority over the investments made on behalf of the Funds. This discretionary authority includes the ability to select the type, amount, and price of the investments bought and sold on behalf of the Funds, including the selection of, and commissions paid to, broker-dealers, and to investment bankers and other professionals.

As a general policy, Vista does not allow clients to place limitations on this authority. Vista reserves the right, however, subject to the terms of a Fund's Governing Documents, to enter into side letter arrangements with certain Investors in such Fund whereby the terms applicable to such Investors' investment in such Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory, or other similar reasons. As described in more detail in Item 11, Vista may also provide nondiscretionary advice to certain co-investment vehicles.

More detailed information may be found in the Governing Documents for each Fund.



ITEM 17: VOTING CLIENT SECURITIES

As required by Rule 206(4)-6 under the Advisers Act, Vista has adopted and implemented written policies and procedures for voting proxies with respect to securities owned by the Funds for which Vista exercises voting authority and discretion (the “Proxy Policy”). Generally, Vista will fulfill its obligations by voting in a manner that is in the best interest of the Fund and clients, considering its intention to promote the Funds’ or clients’ investment objectives, usually to maximize investment returns, following the investment restrictions and policies of the Fund or client.

Generally, Vista will vote in accordance with the Proxy Policy; however, there may be instances when Vista does not vote in accordance with the policy due to the specific circumstances of the investment in question. Similarly, it is Vista’s general policy to vote or give consent on all matters presented to security holders in any vote. However, there may be instances when Vista may abstain from voting proxy, such as when, in the judgment of Vista, the costs associated with voting the proxy outweigh the benefits to the relevant Funds or clients and as such, voting would not be in the Funds’ or clients’ best interest, or if the circumstances otherwise make such an abstention or withholding advisable and in the best interests of the relevant Funds or clients.

Vista is also a signatory of the United Nations’ Principles for Responsible Investment (“PRI”), a global network of investors with the aspirational goal to integrate ESG risks that may have a material business impact into their investment analysis and decision-making process. Accordingly, and as further described in Vista’s ESG and Diversity, Equity, and Inclusion (“DE&I”) Policy, Vista appreciates the potential negative effect that poorly managed material ESG and DE&I risks might have on overall investment performance and will seek to evaluate proposals that relate to ESG topics through the lens of the best long-term economic and stakeholder interests of the relevant Fund or client. Funds generally cannot direct Vista’s vote.

In most cases, the investment professional covering the particular investment will make the decision as to the appropriate vote for any particular vote. In making such decision, he or she may rely on any of the information and/or research available to him or her. For securities held in Vista’s Private Equity Funds or the Hedge Funds, absent material conflicts, the CCO (or designee) will send the voting materials and a summary memo, inclusive of any input from the ESG team and DE&I team, as appropriate, to the relevant investment professional. If the investment professional is making the voting decision, the investment professional will inform the CCO (or designee) of any such voting decision, and if the CCO (or designee) does not find a conflict of interest, the vote will be voted in accordance with the investment professional’s instruction.

Vista’s CCO (or designee) has the responsibility to monitor votes for any conflicts of interest, regardless of whether they are actual or perceived. All voting decisions will require a mandatory conflicts of interest review by Vista’s CCO (or designee) in accordance with Vista’s proxy voting policies and procedures, which will include consideration of whether Vista or any investment professional or other person recommending how to vote and/or Vista’s affiliates and their clients has an interest in how the vote is voted that may present a conflict of interest.

The ESG and DE&I teams may be asked to advise investment professionals evaluating proposals that relate to ESG topics vis-à-vis Vista’s ESG and DE&I Policy and Vista’s resultant commitments. Proposals that relate to ESG topics may be reviewed by the ESG team, who will, in collaboration with the relevant investment professionals and the DE&I team, as appropriate, seek to balance the intended objectives of a proposal against the expected economic benefit to



the relevant Fund or client. Each proposal will be evaluated on its own merits, taking stock of all relevant facts specific to the company.

In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of votes in accordance with the principles set forth above, according first priority to the best interest of the relevant Funds or clients. Vista's CCO (or designee) will use their best judgment to identify any conflict of interest to the Allocation and Conflicts Oversight Committee, which will ensure that any such conflict is resolved in accordance with its independent assessment of the best interests of the Funds or clients.

Vista believes that its interests are generally aligned with the Funds' and clients' interests through ownership by Vista, or its affiliates, in a Fund. In the event the CCO (or designee) determines there is or may be a material conflict of interest between Vista and one of Vista's Funds or clients in voting proxies, Vista will address such material conflict of interest using one of the following procedures: (i) referring the matter to the appropriate Fund's Advisory Committee or Investor Committee for guidance; (ii) voting the proxies using established objective policies described in the Proxy Policy; or (iii) referring the proxy vote to the Allocation and Conflicts Oversight Committee to address material conflicts of interest in voting a proxy.

Vista may choose to use the services of one or more unaffiliated proxy advisory firms to assist Vista in fulfilling all or part of its voting obligations. Selection of a proxy advisory firm will be the responsibility of the Allocation and Conflicts Oversight Committee, who will determine whether the proxy advisory firm has the capacity and competency to adequately analyze proxy issues.

Vista generally maintains records for each matter relating to a portfolio security with respect to which a client was entitled to vote.

A copy of Vista's proxy voting policies, its voting record, and reports prepared by the Compliance Committee will be provided upon request by contacting Vista's CCO, Gwen Reinke, by phone at (415) 765-6500 or by email at greinke@vistaequitypartners.com.



ITEM 18: FINANCIAL INFORMATION

Vista has no events requiring disclosure under this Item of the brochure. Vista does not require or solicit prepayment of Management Fees six months or more in advance.