

Vista Endeavor III Offshore Feeder Fund, L.P.

Summary of website disclosure

The Sustainable Finance Disclosures Regulation (the “SFDR”) requires that a financial market participant that markets a product which promotes environmental or social characteristics should publish and maintain on that financial market participant’s website certain information in respect of that product as set out in the SFDR and its supporting regulatory technical standards (the “RTS”).

This disclosure is made in respect of Vista Endeavor III Offshore Feeder Fund, L.P., a Cayman Islands exempted limited partnership (the “Feeder Fund”). The Feeder Fund has been established as a feeder fund that will invest substantially all of its assets in limited partnership interests of Vista Equity Endeavor Fund III-B SCSp, a Luxembourg limited partnership (société en commandite spéciale) (the “Fund”).

The Feeder Fund has been established to act as a feeder fund that will invest substantially all of its assets in the Fund. The manager (gérant) and alternative investment fund manager of the Fund (the “AIFM”) has determined that the Fund should be classified as an investment product that promotes, among other characteristics, environmental or social characteristics or a combination of those characteristics, within the meaning of Article 8 of the SFDR. The AIFM has also determined that the Fund does not intend to make any sustainable investments, including taxonomy-aligned environmentally sustainable investments and no assurance is given that the Fund will make sustainable investments within the meaning of the SFDR or the EU Taxonomy Regulation on the establishment of a framework to facilitate sustainable investment (2022/852) (the “EU Taxonomy Regulation”).

Since the Feeder Fund’s investment objective is to invest substantially all of its assets in the Fund, Citi Global Alternatives, L.L.C. (the “Investment Advisor”) has determined that the Feeder Fund should also be classified as an investment product that promotes environmental or social characteristics within the meaning of Article 8 of the SFDR.

A summary of the Fund’s sustainability-related website disclosures is as follows. The Fund disclosures are included below for ease of reference only and are not intended to be disclosures of the Investment Advisor or the Feeder Fund.

Summary

No sustainable investment objective: The Fund promotes environmental and social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product: The Fund will support its majority-controlled portfolio companies to develop actions and initiatives to reduce their greenhouse gas (“GHG”) emissions as part of its engagement on value creation and in line with the firm-level commitment by Vista Equity Partners (“Vista”) to reduce portfolio company emissions by 50% by 2030 and emit net zero GHG emissions across the firm’s private equity and permanent capital portfolio by 2050.

Social characteristic: The Fund will promote diversity and inclusion in its portfolio companies, from board composition to workforce management and programs, by supporting gender and racial diversity and advocating for a reduction in inequality as part of its engagement on value creation.

Investment strategy: The Fund’s primary investment strategy is to acquire controlling interests in “Small Cap” enterprise software, data and technology-enabled solutions companies with enterprise values generally up to \$250 million, and then apply its proprietary set of processes and methodologies (“Vista Best Practices”) to rapidly and aggressively implement change, create value and generate positive returns for the Fund.

Proportion of investments: The Fund will apply the environmental and social characteristics outlined above to all of its majority-controlled portfolio company investments. There can be no guarantee or assurance that the Fund will be able to implement the characteristics with respect to 100% of investments.

Monitoring of environmental or social characteristics: During the initial on-boarding process and thereafter annually, a quantitative baseline measurement of key performance indicators (“KPIs”) is expected to be established for all portfolio company investments in the Fund. The following sustainability indicators are used to monitor progress:

- Number of majority-controlled portfolio companies that have set a company-specific interim-term target to reduce their GHG emissions.
- Total GHG emissions (in tonnes of CO2 equivalents) in the overall portfolio of the Fund.
- Number of boards of portfolio companies of the Fund that are controlled by Vista with at least one female director.
- Number of boards of portfolio companies of the Fund domiciled in the United States of America that are controlled by Vista with at least one director who is a person of color.¹

Methodologies: In the post-investment and stewardship phase, Vista seeks to engage its private equity portfolio companies on ESG matters, including the implementation of the environmental and social characteristics promoted by the Fund. Vista seeks to engage in regular conversations and documented check-ins with Vista portfolio company management and leadership.

Environmental characteristic: To meet the environmental characteristic, each of Vista’s portfolio companies is expected to utilize an internal or third-party software platform to measure and report its GHG footprint. The third-party software tool offered to Vista portfolio companies provides a pre-defined set of questions to calculate GHG emissions in alignment with the GHG Protocol Standard. Companies also have access to a toolkit of additional supporting resources and support from Vista’s ESG team. After companies establish a baseline GHG footprint, Vista is focused on enabling them to set short-term, science-based emission reduction targets within two years of Vista’s investment.

Social characteristics: Vista focuses on creating best practices and achieving scale across its portfolio companies by modeling how companies can effectively build and foster diverse workforces and inclusive cultures. Vista provides portfolio companies with a DEI Board reporting template that facilitates company management to report quarterly to their Board of Directors on the status of their DEI initiatives. In addition, Vista’s diversity, equity, and inclusion initiatives are promoted through its Best Practice Sharing Summits (“BPSS”), which are portfolio-wide events targeted at the practice discipline level.

Data sources and processing: Vista offers third-party software tools to portfolio companies as well as relying on reporting by portfolio companies to obtain data to assess the attainment of the environmental and social characteristics promoted by the Fund. Vista reviews and engages with portfolio companies in order to ensure the accuracy of data. Some data may be estimated.

¹ Data in respect of people of colour for portfolio company boards outside the United States of America cannot be reported due to data privacy regulation. As a result, this KPI will not include data in respect of portfolio companies outside the United States. For the avoidance of doubt, Vista’s engagement on board diversity in respect of people of colour applies to all portfolio companies, wherever based.

Limitations to methodologies and data: Limitations to the methodologies and data may arise due to a lack of data availability and/or a lack of infrastructure in place for the collection and processes of data by investee companies. Board diversity statistics do not currently include the diversity of someone who is not the Vista board member or an appointed external board member, due to lack of data collection process for those outside of either group.

Due diligence: During the due diligence phase, ESG analysis is embedded into the investment process to identify material ESG risks. At the commencement of due diligence, the ESG team collaborates with Vista's Value Creation Team, outside counsel and subject-matter experts to conduct a review of the company's cybersecurity, privacy, diversity, equity and inclusion, and other ESG practices. Additionally, where appropriate, Vista engages law firms and consultants to support its assessment of material ESG risks in a company's industry or in relation to its approach to ESG risk management. Material findings are communicated to the investment committee and management teams and are included as part of the company's 100-days list.

Engagement policies: Vista seeks to conduct its first ESG Assessment within approximately 100 days after the closing of an acquisition of a new portfolio company. Thereafter, ESG Assessments are conducted annually.

Designated reference benchmark: No reference benchmark has been adopted to determine whether the Fund is aligned with the environmental and social characteristics it promotes.

Important information

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