

INVESTMENT ADVISER BROCHURE

SHOREHILL CAPITAL LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Shorehill Capital LLC (“Shorehill Capital”). If you have any questions about the contents of this Brochure, please contact us at (312) 876-7267. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

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

Additional information regarding Shorehill Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

Shorehill Capital LLC filed its most recent Form ADV Part 2 in March 2018. This annual amendment updates the description of the business practices of Shorehill Capital LLC and its affiliates.

ADVISORY BUSINESS

Shorehill Capital LLC, a Delaware limited liability company, is a private investment management firm, including general partner entities and other organizations affiliated with Shorehill Capital LLC (collectively, “**Shorehill Capital**”), that manages approximately \$216 million in private fund assets. Shorehill Capital commenced operations in 2014.

Shorehill Capital LLC is a private equity management company and a registered investment adviser. Shorehill Capital LLC is the general partner of Shorehill Management LP, a Delaware limited partnership (the “**General Partner**,” and together with Shorehill Capital, the “**Advisers**”).

In its capacity as the general partner of the General Partner, Shorehill Capital has the authority to manage the business and affairs of the General Partner and, through the General Partner, the Fund (as defined herein). References in this Brochure to the advisory services of “Shorehill Capital” mean advisory services of Shorehill Capital LLC as provided through the General Partner, as the case may be. The General Partner is deemed registered under the Advisers Act pursuant to Shorehill Capital’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates as a single advisory business together with Shorehill Capital.

The Advisers’ clients include Shorehill Private Equity LP (the “**Fund**”), a private equity fund organized as a Delaware limited partnership. The Fund invests primarily through negotiated transactions in operating entities, generally referred to herein as “**portfolio companies**.” The General Partner serves as general partner and manager to the Fund and has the contractual authority under the limited partnership agreement of the Fund (the “**Partnership Agreement**”) to make investment decisions for, and to provide day-to-day advisory services to, the Fund. Shorehill Capital’s investment advisory services to the Fund consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing, and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are also permitted. From time to time, where such investments consist of portfolio companies, the senior principals, or other personnel of Shorehill Capital or its affiliates may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Fund has invested.

Shorehill Capital’s advisory services to the Fund are detailed in the private placement memorandum (the “**Memorandum**”) and Partnership Agreement and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Fund participate in the overall investment program for the Fund but may be excused from a particular investment due to legal, regulatory, or other agreed-upon circumstances pursuant to the Partnership

Agreement. The Fund or the General Partner have entered into side letters or other similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic and other terms) of, the Partnership Agreement with respect to such investors.

Additionally, from time to time, Shorehill Capital may provide (or agree to provide) certain investors or other persons, including Shorehill Capital's personnel and/or certain other persons associated with Shorehill Capital and/or its affiliates (to the extent not prohibited by the Partnership Agreement), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in certain portfolio companies alongside the Fund. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from the Fund. Any such purchase from the Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Shorehill Capital's sole discretion, Shorehill Capital is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the Fund.

Shorehill Capital is ultimately controlled by David O. Hawkins and Brian P. Simmons.

Fees and Compensation

In general, the General Partner receives a Management Fee (as defined below) and a carried interest in connection with advisory services. The General Partner or other Shorehill Capital entities or affiliates receive additional compensation, including transactional consulting compensation, in connection with management and other services performed for portfolio companies and all or a portion of such additional compensation will offset in part the management fees otherwise payable to the General Partner. Investors in the Fund also bear certain fund expenses.

Management Fees

During its investment period, the Fund will pay the General Partner a management fee initially equal to 2.00% of the aggregate commitments from investors, as more fully described in the Partnership Agreement. The Fund management fee is expected to be reduced following the occurrence of specified events described in the Partnership Agreement.

The management fees payable by the Fund are referred hereto as the “**Management Fees.**”

In accordance with the Partnership Agreement, after payment of any amounts necessary to reimburse the General Partner for all unreimbursed due-diligence, legal and other third-party costs and expenses incurred in connection with consummated or unconsummated transactions, the Management Fee payable by the Fund for each year generally will be reduced by 50% of its non-affiliated partners' *pro rata* share of all transaction fees, management fees, directors' fees, breakup fees, and other fees (collectively, “**Portfolio Fees**”) received by the General Partner or any

employee thereof until such reduction amount equals for a given year the greater of (x) the dollar amount equal to the product of 0.875% and the book value of all portfolio companies as of the start of such Management Fee year, as reflected in the Fund's financial statements, and (y) \$2 million, and will be reduced by 100% of such Portfolio Fees thereafter.

Additionally, as further described herein and in the Memorandum and/or Partnership Agreement, Shorehill Capital expects from time to time to retain certain operating partners or executive advisors (together, "**Operating Partners**") to provide services to (or with respect to) the Fund or certain current or prospective portfolio companies in which the Fund invests. Such Operating Partners generally provide services, which may include serving in management or policy-making positions for portfolio companies. Operating Partners generally receive compensation and other amounts, but no such amounts will result in offsets to the Management Fee. The use of Operating Partners subjects Shorehill Capital to conflicts of interest, as discussed under "Methods of Analysis, Investment Strategies and Risk of Loss—Conflicts of Interest," below.

Carried Interest

The General Partner will receive a carried interest with respect to the Fund equal to 20% of all realized profits in excess of a preferred return of 8%, as more fully described in the Partnership Agreement. A co-investment fund (a "**Co-Invest Fund**"), if established, is not expected to be subject to carried interest. Carried interest distributed to the General Partner is subject to a potential giveback at the end of the life of the Fund if Shorehill Capital has received excess cumulative distributions.

Other Information

The General Partner may exempt certain investors in the Fund from payment of all or a portion of Management Fees and/or carried interest, including investors affiliated with Shorehill Capital, and does not itself pay Management Fees. Any such exemption from Management Fees and/or carried interest may be made by a direct exemption, a rebate by the General Partner and/or its affiliates, or through other funds or vehicles which co-invest with the Fund. For example, in instances where a Shorehill Capital professional (or an entity affiliated therewith) invests in the Fund, such professional (or such affiliate) generally will be exempt from payment of the Management Fee and carried interest with respect to the Fund. Additionally, to the extent permitted by the Partnership Agreement, Shorehill Capital may have the right to permit investors, affiliated with Shorehill Capital or otherwise, to invest through the General Partner or other vehicles that do not bear Management Fees or carried interest. Similarly, the General Partner is generally expected to exempt any Co-Invest Fund from paying its share of broken deal expenses.

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

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

As set forth in the Partnership Agreement, the Fund will, in addition to the Management Fee and carried interest, pay all other costs and expenses of the Fund that are not reimbursed by portfolio companies (which reimbursements, costs or expenses may be for travel and any other out-of-pocket expenses incurred in connection with the making, monitoring and/or disposing of such portfolio company investments, including follow-on investments and refinancings, except that, with regard to portfolio company investments that ultimately are not consummated, the Fund will not bear or reimburse costs for third-party travel), including, but not limited to: legal, auditing, consulting, financing, accounting, custodian, depositary, transfer, registration and other similar fees and expenses; expenses associated with the Fund's financial statements, tax returns, Schedule K-1s or any other administrative, regulatory or other Fund-related reporting or filing obligations; expenses incurred in connection with transactions not consummated; expenses of the Limited Partner Committee (as defined in the Partnership Agreement) and annual meetings of the limited partners; insurance (including directors and officers insurance); other expenses associated with the acquisition, holding and disposition of its investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against the Fund, and any similar expenses incurred on behalf of any Alternative Investment Vehicle (as defined in the Partnership Agreement).

Additionally, the indemnification terms of the Partnership Agreement generally require the Fund to broadly indemnify its General Partner, Shorehill Capital and its employees and affiliates thereof for certain expenses incurred by the General Partner, Shorehill Capital and its employees and affiliates. These indemnification payments are expected to be for legal defense costs and costs related to the indemnification of service providers who have performed services on behalf of the Fund. The costs of these indemnification payments are charged to the Fund and may be significant. Any Co-invest Fund is not expected to be subject to such indemnification requirements and related costs.

At times, service providers may perform services pertaining to multiple funds or related entities. In such instances, Shorehill Capital will allocate the total expense to multiple entities, including the Fund, using what it believes to be a fair and equitable allocation methodology. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices." The General Partner generally expects to exempt any Co-Invest Fund from paying such fees and expenses.

The General Partner may permit certain investors to co-invest in portfolio companies alongside the Fund. If a co-invest vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Fund. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgement of the General Partner, but ultimately is not consummated, all broken deal expenses relating to such proposed transaction generally will be borne by the Fund, and not by any potential co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-invest or other vehicle in

connection with such transaction, such vehicle may bear its share of such broken deal expenses. The General Partner may enter into an agreement with such co-investors to share any broken deal expenses and/or related amounts in connection with such transaction.

As described more fully in the Memorandum and/or Partnership Agreement of the Fund, certain affiliates, or personnel of Shorehill Capital may provide services to (or with respect to) certain portfolio companies in which the Fund may invest. In connection with such services, such affiliates or personnel may receive transaction fees and other compensation from such portfolio companies or the Fund, and such portfolio companies may be required to reimburse Shorehill Capital for out-of-pocket expenses incurred by such affiliates or personnel. The amount of such transaction fees, other compensation and out-of-pocket expense reimbursements may be significant. Shorehill Capital and/or its affiliates generally have discretion over whether to charge transaction fees to a portfolio company and, if so, the fee rate or amount. The receipt of transaction fees may give rise to conflicts of interest between the Fund, on the one hand, and Shorehill Capital and/or its affiliates on the other hand.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Advisory Business—Fees and Compensation,” the General Partner receives a carried interest allocation on certain realized profits in the Fund. Shorehill Capital also expects to manage accounts that are not charged a performance-based fee. This practice could present a conflict of interest because Shorehill Capital has an incentive to favor accounts for which it receives a performance-based fee. Shorehill Capital will address this potential conflict of interest by ensuring that any Co-Invest Fund, which is not charged performance-based fees, invests in parallel with the Fund (to the extent permitted by the respective governing agreements) in order to reduce Shorehill Capital’s potential incentive to make investments in a vehicle that would generate performance-fees.

TYPES OF CLIENTS

Shorehill Capital provides investment advice to the Fund, which may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Fund generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Shorehill Capital and its affiliates and members of their families, or other service providers retained by Shorehill Capital.

The Fund’s interests have been offered and sold solely to qualified purchasers (or qualified knowledgeable Shorehill Capital personnel), and the General Partner retained the right to waive the Fund’s minimum investment amount.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Shorehill Capital seeks to focus its investment activity primarily on making control-equity investments in manufacturing, industrial service, and distribution companies.

Strategy & Process. The Shorehill Capital strategy and process is intended to identify attractive investment opportunities in its target sectors, confirm key investment selection criteria, design, and implement investment management plans, position companies for exit, and achieve attractive returns. These business practices have been developed and refined throughout the co-founders' careers to increase investment selectivity and enable value creation through specific investment management initiatives. Shorehill Capital believes that the depth of its approach is unique among middle market private equity investment firms, representing the best way to complete attractive investments and add value to portfolio companies while minimizing risk and generating superior returns on a consistent basis.

Proactive Investment Sourcing. The Shorehill Capital Team believes that targeting the preferred company size within its narrow focus in its target sectors will result in the most effective use of the Shorehill Capital Team's investment experience. This experience supports proprietary research and proactive outreach to target sector businesses and their owners. Typically, a variety of investment origination efforts are implemented by the Shorehill Capital Team to develop industry research and manage relationships with key industry contacts including executives, intermediaries, and advisors.

Investment Selection. Shorehill Capital will primarily consider platform investments in companies operating in target sectors, valued between \$25 million and \$150 million, and generally based or having significant operations in North America. The Shorehill Capital Team believes that potential for value creation at portfolio companies will result from four principal factors: earnings growth, repayment of acquisition debt, increased cash-flow, and the achievement of multiple expansion. The Shorehill Capital Team typically considers each of these factors during due diligence and investment evaluation and incorporates conclusions into detailed investment management plans.

Company Dynamics. The Shorehill Capital Team expects to evaluate various company dynamics to determine the earnings growth and investment management potential of each prospective investment. Shorehill Capital will typically seek to identify companies with differentiated profit margins and demonstrated pricing power because these characteristics may be indicators of sustainable market positions leading to long-term success. The Shorehill Capital Team will seek to invest the Fund's capital in companies with multiple opportunities for growth, including the potential for expansion of geographic markets served, expanded product and service offerings, market share gains, and add-on acquisitions.

Active Investment Management. The Shorehill Capital Team believes that active investment management using a company-specific resource plan can result in accelerated earnings growth, better risk management, and superior investment performance.

Human Capital. Human capital initiatives are expected to improve the overall quality and effectiveness of management teams, leading to improved portfolio company performance. Shorehill Capital intends to recruit talented executives to complement and strengthen the management team and boards of directors at each portfolio company.

Strategic Growth. Strategic growth initiatives are designed to increase the rate of a company's revenue and earnings growth. The Shorehill Capital Team expects to work closely with

management teams and third-party advisors to direct initiatives designed to generate organic growth from new product development, product line extensions, expansion of service offerings, domestic market share gains, and international growth.

Capital Markets and Exit. The Shorehill Capital Team has established relationships with numerous investment banks and other financial institutions and intermediaries that can be called upon to assist each portfolio company in gaining access to capital markets. The Shorehill Capital Team will typically consider exit alternatives during its evaluation of prospective investments and may pursue a multi-track process in an effort to maximize exit value.

Risks of Investment

The Fund and its investors bear the risk of loss that Shorehill Capital's investment strategy entails, as further set forth in the Memorandum. There can be no assurance that Shorehill Capital or the General Partner will achieve the investment objectives of the Fund and a loss of investment may be possible. The risks involved with Shorehill Capital's investment strategy and an investment in the Fund include, but are not limited to:

Business Risks. The Fund's investment portfolio consists 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.

Future and Past Performance. The performance of Shorehill Capital's prior investments is not necessarily indicative of the Fund's future results. While the General Partner intends for the Fund to make investments that have returns commensurate with the risks undertaken, there can be no assurances that any such performance will be achieved. On any given investment, loss of principal is possible.

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

Concentration of Investments. The Fund is expected to participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or such industry generally may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners are typically required to pay annual Management Fees based on the entire amount of their Commitments.

Dynamic Investment Strategy. While the General Partner generally intends to seek attractive returns for the Fund through the investment strategy and methods described herein, the

General Partner may pursue additional investment strategies and may 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 Partnership Agreement. The General Partner may pursue investments outside of the industries and sectors in which Shorehill Capital has previously made investments or has internal operational experience.

Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including any Management Fee) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded Commitments.

Leveraged Investments. The Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. See also "Uncertain Economic and Political Environment" below. During times when credit markets are tight, it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the 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 the Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Additionally, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which the Fund invests generally will not be rated by a credit rating agency. The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The Fund may incur leverage on a joint and several basis with one or more other entities managed by Shorehill Capital and may have a right of contribution, subrogation, or reimbursement from or against such entities. In addition, to the extent the Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors

and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of the Fund's investments and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners of the 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 the Partnership Agreement, including the value used to determine the amount of carried interest available to Shorehill Capital with respect to such investment.

Reliance on the General Partner and Portfolio Company Management. Control over the operation of the Fund is typically vested entirely with the General Partner, and the Fund's profitability depends largely upon the business and investment acumen of the principals of the General Partner. The loss or reduction of service of one or more of the principals could have an adverse impact on the Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund will depend entirely on the actions of the General Partner. Although the General Partner will monitor the performance of the Fund's investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the existing management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

Projections. Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Shorehill Capital in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

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

Non-U.S. Investments. The Fund may invest in portfolio companies that are organized or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and foreign tax rules to cross border investments, possible imposition of foreign taxes on the Fund and/or its partners with respect to the Fund's income, and possible foreign tax return filing requirements for the Fund and/or its partners.

Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies.

Public Company Holdings. The Fund's investment portfolio may contain debt and/or equity securities issued by publicly-held companies. Such investments may subject the 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 Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the General Partner's principals, and increased costs associated with each of the aforementioned risks.

Lack of Unilateral Control. Even if the Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, makes a minority investment or is subject to restrictions or other terms imposed by lenders, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Fund or its limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.

Director Liability. The Fund often obtains the right to appoint one or more representatives to the boards of directors of the portfolio companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. Although portfolio companies often have insurance to protect directors and officers from such liability, such insurance may not be obtained by all portfolio companies and may be insufficient if obtained.

Uncertain Economic 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 or other sources of

political, social, or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the 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 portfolio companies.

Market Conditions. The Fund's performance can be affected by deterioration in public markets and by market events, which can impact the public market comparable earnings multiples used to value privately held portfolio companies. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund's performance. Holding periods of investments are also likely to be longer in times when market conditions for initial public offerings and mergers and acquisitions activity are less favorable. The value of publicly traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of a credit crisis may also affect the Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.

Deterioration of Credit Markets may Affect Ability to Finance and Consummate Investments. Deterioration of the global credit markets may make it more difficult for investment funds such as the Fund to obtain favorable financing for investments. The Fund's ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events recur and/or are not temporary, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

Material Non-Public Information. As a result of the operations of Shorehill Capital and its affiliates, Shorehill Capital frequently comes into possession of confidential or material non-public information. Therefore, Shorehill Capital and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Shorehill Capital's internal policies. Due to these restrictions, the Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Shorehill Capital or the Fund from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental

bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one fund's acquisition of a portfolio company may preclude other funds from making an attractive acquisition or require one or more other funds to sell all or a portion of certain portfolio companies owned by them.

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

Unfunded Pension Liabilities of Portfolio Companies. Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although Shorehill Capital intends to manage each Fund's investments to minimize any such exposure, the Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a portfolio company. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute, and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Valuation of Investments. Generally, the General Partner will determine the value of all the Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of the Fund's investments because, among other things, the securities of portfolio companies held by the Fund generally will be illiquid and not quoted on any exchange. The General Partner will determine the value of all the Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that

any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the General Partner with respect to an investment will represent the value realized by the Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the General Partner may cause it to ineffectively manage the Fund's investment portfolios and risks and may also affect the diversification and management of the Fund's portfolio of investments.

Bridge Financings. As set forth in the Partnership Agreement, the Fund may, from time to time, provide interim financing to a portfolio company, including in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication or where such portfolio company has an identified short-term financing need. Such bridge loans may be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans and interim investments may remain outstanding and be treated as a permanent investment in such portfolio company. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations. 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 position taken by the Fund.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Shorehill Capital or one of its service providers holding its financial or investor data, Shorehill Capital, its affiliates or the Fund may also be at risk of loss, despite efforts to prevent and mitigate such risks under Shorehill Capital's policies.

Conflicts of Interest

Shorehill Capital and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other entities, and providing transaction-related, investment advisory, legal, management and other services to funds and portfolio companies. In the ordinary course of Shorehill Capital conducting its activities, the interests of the Fund may conflict with the interests of Shorehill Capital, one or more other funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein.

During the commitment period of a fund, all appropriate investment opportunities will be pursued by Shorehill Capital principals through such fund, subject to certain limited exceptions.

Without limitation, Shorehill Capital principals currently, and may in the future, manage several other investments similar to those in which a fund will be investing, and may direct certain relevant investment opportunities to those investments. Shorehill Capital's advisory services generally are directed toward identifying follow-on investments for such funds.

From time to time, Shorehill Capital will be presented with investment opportunities that would be suitable not only for the Fund, but also for other funds and other investment vehicles operated by affiliates of Shorehill Capital. In determining which funds should participate in such investment opportunities, Shorehill Capital is subject to conflicts of interest among the investors in such investment vehicles. Shorehill Capital attempts to resolve such conflicts of interest in light of its obligations to investors in the various funds and the obligations owed by Shorehill Capital's affiliates to investors in investment vehicles managed by them and attempts to allocate investment opportunities among the various funds in a fair and equitable manner. Certain investments may be allocated between the Fund and any successor or predecessor fund in a manner as set forth in the Partnership Agreement. Subject to such requirements set forth in the Partnership Agreement, for each relevant investment opportunity, priority is given to consideration of such opportunity as a follow-on investment for an existing Fund.

Some of Shorehill Capital's principals will continue to manage and monitor historical funds of CHS Capital LLC ("CHS"), a prior firm at which certain Shorehill Capital personnel provided advisory services. CHS Capital is winding down its final investments such that its assets under management have fallen below the SEC's adviser registration threshold and is not expected to undertake future investment activity. Such final investments that Shorehill Capital principals may control or manage on behalf of CHS may potentially compete with companies acquired by the Fund. Following the commitment period of the Fund, Shorehill Capital principals may, and likely will, focus their investment activities on other opportunities and areas unrelated to the Fund's investments.

Shorehill Capital may permit certain limited partners and other third parties to co-invest alongside the Fund (or future funds), allocating co-investment opportunities in accordance with factors including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; Shorehill Capital's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Shorehill Capital's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; and whether Shorehill Capital believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant funds or Shorehill Capital. Where necessary, Shorehill Capital will consult and receive consent to conflicts from the Fund or relevant committee.

Investment opportunities may be appropriate for multiple funds at the same, different, or overlapping levels of a portfolio company's capital structure. Conflicts may arise in determining the terms of each such investment, particularly where certain funds are intended to invest in different types of securities in a single portfolio company. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to funds that have invested in different securities within the same portfolio company.

Shorehill Capital's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While Shorehill Capital will allocate 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 Shorehill Capital may be subject, discussed herein, did not exist.

In certain cases, Shorehill Capital will have the opportunity (but, subject to any applicable restrictions or procedures in the Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in the Fund. In such cases, Shorehill Capital will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors similar to those employed in selecting co-investors, and unless required by the Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

As a result of the Fund's controlling interests in portfolio companies, Shorehill Capital and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Shorehill Capital personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Shorehill Capital and/or its affiliates. Unless such amounts are subject to the Partnership Agreement's offset provisions, they will be in addition to any Management Fees or carried interest paid by the Fund to Shorehill Capital, to the extent not offset in accordance with the Partnership Agreement.

Additionally, a portfolio company typically will reimburse Shorehill Capital or service providers retained at Shorehill Capital's discretion for expenses (including, without limitation, travel expenses) incurred by Shorehill Capital or such service providers in connection with its performance of services for such portfolio company. This subjects Shorehill Capital and its affiliates to conflicts of interest because the Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements may be substantial. Shorehill Capital 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 investors in the Fund, their effect is reflected in the Fund's audited financial statements, and any fee paid or expense reimbursed to Shorehill Capital or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Shorehill Capital generally exercises its discretion to recommend to the Fund or to a portfolio company thereof that it contract for services with (i) Shorehill Capital or a related person of Shorehill Capital (which may include a portfolio company of the Fund) or (ii) an entity with which Shorehill Capital or its affiliates or current or former members of their personnel has a relationship or from which Shorehill Capital or its affiliates or their personnel otherwise derives financial or other benefit. This discretion subjects Shorehill Capital to conflicts of interest, because although Shorehill Capital selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the Fund, Shorehill Capital may have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that Shorehill Capital, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Shorehill Capital 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.

Shorehill Capital and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Fund or other investment vehicles advised by Shorehill Capital and/or its affiliates; conversely, current or former personnel or executives of Shorehill Capital and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by Shorehill Capital. Similarly, Shorehill Capital, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Shorehill Capital and/or its affiliates, and/or the Fund or other investment vehicles they advise. Shorehill Capital may have a conflict of interest with the Fund in recommending the retention or continuation of a third-party service provider to the 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 future funds, will provide Shorehill Capital information about markets and industries in which Shorehill Capital operates (or is contemplating operations) or will provide other services that are beneficial to Shorehill Capital. Shorehill Capital may have a conflict of interest in making such recommendations, in that Shorehill Capital 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.

In certain circumstances, current or former Shorehill Capital personnel may serve in interim or part-time roles at a portfolio company, or may provide services to a portfolio company as a secondee or in similar capacities, while maintaining certain benefits, support services or indicia of employment at Shorehill Capital. Under such arrangements, Shorehill Capital and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships will not result in additional offsets to the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold. Employees may or may not return to Shorehill Capital at the end of such secondee arrangement.

Shorehill Capital, its affiliates, and equity holders, officers, principals, and employees of Shorehill Capital and its affiliates may buy or sell securities or other instruments that Shorehill Capital has recommended to the Fund. In addition, officers, principals, and employees may buy securities in transactions offered to but rejected by the Fund. Such transactions are subject to any restrictions set forth in the Partnership Agreement, as well as the policies and procedures set forth in Shorehill Capital's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Fund.

Because certain expenses are paid for by the Fund and/or its portfolio companies or, if incurred by Shorehill Capital, are reimbursed by the Fund and/or its portfolio companies, Shorehill Capital may not necessarily seek out the lowest cost options when incurring (or causing the Fund or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies typically pay certain compensation and other amounts to Operating Partners or third-party consultants (including consultants introduced or arranged by Shorehill Capital and/or its affiliates that may regularly provide services to one or more portfolio companies), and such amounts will not offset the Management Fee as described herein. Although the use of Operating Partners and the allocation of compensation paid to them by the portfolio companies may subject Shorehill Capital and/or its affiliates to potential conflicts of interest, Shorehill Capital believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which are expected to be to the benefit of the Fund) that will result if the cost of the Operating Partners is lower than market rates for the services provided and/or if the quality of the services of the Operating Partners make a greater contribution to the success of the portfolio company. Although Shorehill Capital seeks to retain Operating Partners with a view to reducing costs to portfolio companies and, ultimately, the Fund, a number of factors may result in limited or no cost savings from such retention. Shorehill Capital also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Shorehill Capital believes will align such persons' interests with those of the Fund's limited partners.

Because there is a fixed investment period after which capital from investors in the Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of the Fund, based upon capital invested by the Fund, this fee structure may create an incentive to deploy capital when Shorehill Capital may not otherwise have done so.

Shorehill Capital may enter into side letter arrangements with certain investors providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Shorehill Capital is affiliated with the General Partner, which is an investment adviser deemed registered with the SEC under the Advisers Act pursuant to Shorehill Capital's registration in accordance with SEC guidance. This entity operates as a single advisory business together with Shorehill Capital and generally shares common owners, officers, partners, employees, consultants, or persons occupying similar positions. Shorehill Capital also shares personnel with CHS, an adviser that is in the process of winding down its funds and operations. Shorehill Capital does not have any financial industry activities or affiliations that it is required to report.

From time to time and to the extent permitted by the Fund's or Shorehill Capital governing documents, personnel of Shorehill Capital or its affiliates may serve in investment advisory or other capacities at unaffiliated investment advisers.

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

Shorehill Capital has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of the principals and employees of Shorehill Capital and addresses conflicts that arise from personal trading. The Code requires certain Shorehill Capital personnel to report their personal securities transactions, prohibits or requires pre-clearance for Shorehill Capital personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Shorehill Capital personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Shorehill Capital Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Todd C. Schneider, the Shorehill Capital Chief Compliance Officer, at (312) 876-8632. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Shorehill Capital and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security, including information received in such affiliated persons' capacities as consultants, advisors, or directors of non-Shorehill Capital businesses, including certain family offices and/or other private equity funds. Under applicable law, Shorehill Capital 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 a client of Shorehill Capital.

Accordingly, should Shorehill Capital or any of its affiliated persons come into possession of material non-public or other confidential information with respect to any public or non-public company, Shorehill Capital generally would be prohibited from communicating such information to clients, and Shorehill Capital will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Shorehill Capital personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Fund.

Principals and employees of Shorehill Capital and its affiliates may directly or indirectly own an interest in funds or portfolio companies, whether directly or through certain co-investment vehicles. Participation in the co-invest program is limited to persons with such knowledge and experience in financial and business matters necessary to make them capable of evaluating the merits and risks of the prospective investment. The eligibility of any person to participate in the co-invest program, as well as the amount such person is permitted to invest, will be determined in the sole discretion of the Management Committee. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the funds. If Shorehill Capital receives multiple classes of securities in a transaction (for example, subordinated debt and common equity), the co-investors' investments shall invest side-by-side with Shorehill Capital's investment, and investment opportunities shall be allocated *pro rata* between Shorehill Capital and the co-investors.

From time to time, the Fund is expected to sell portfolio companies in an initial public offering. In such event, investors in the Fund generally will receive via distribution of cash proceeds their proportionate share of profits and losses from such sales. However, in certain circumstances, Shorehill Capital expects to permit its principals and employees to elect to receive their proportionate share of such profits and losses in cash or in kind, in order to elect to receive initial public offering profits and losses on a different time frame than that deemed by Shorehill Capital or to be appropriate for the relevant Fund.

The Fund may invest together with other funds advised by an affiliated adviser of Shorehill Capital in the manner set forth in the Partnership Agreement. Shorehill Capital's policy is to allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with their fiduciary obligations and the underlying documents for each Fund.

Shorehill Capital and its principals and employees may carry on investment activities for their own account and for family members, friends, other private equity funds (as discussed herein) or others who do not invest in the Fund, and may give advice and recommend securities to vehicles or other funds which may differ from advice given to, or securities recommended or bought for, any fund, even though their investment objectives may be the same or similar, and may receive nominal fees in connection with such investment activities. The operative documents and investment programs of the Fund may restrict, limit, or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by the Fund or may

give priority with respect to investments to the Fund. Some of these restrictions could be waived by investors (or their representatives) in the Fund.

BROKERAGE PRACTICES

Shorehill Capital focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Shorehill Capital may also distribute securities to investors in the Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Shorehill Capital does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

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

Shorehill Capital has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Shorehill Capital generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Shorehill Capital seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them. Under such “soft dollar” arrangements, securities transactions are executed through a broker-dealer that charges more than the lowest available commission rate in exchange for the provision of brokerage and research services, which may include: (i) furnishing advice as to the value of securities and the advisability of investing, purchasing or selling securities; (ii) furnishing analysis and reports concerning issuers, securities and performance of accounts; or (iii) effecting securities transactions and performing functions incidental to such transactions, such as clearance, settlement and custody. Shorehill Capital may enter into “soft dollar” arrangements only where it reasonably believes that the services benefit the Fund, and that the amount of commission is reasonable in relation to the value of the brokerage and research services provided.

Shorehill Capital currently does not engage in soft dollar transactions but may engage in soft dollar transactions in the future in accordance with the limitations of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Shorehill Capital does not anticipate engaging in significant public securities transactions; however, to the extent that Shorehill Capital engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for the Fund are completed independently, Shorehill Capital may also in the future purchase or sell the same securities or instruments for several funds simultaneously.

In Shorehill Capital's private company securities transactions on behalf of the Fund, Shorehill Capital may retain one or more broker-dealers or investment banks, the costs of which will be borne by the Fund and/or its portfolio companies. In determining to retain such parties, Shorehill Capital may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Shorehill Capital generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not necessarily pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Fund are generally private, illiquid, and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Shorehill Capital monitors companies in which the Fund invests, and the Shorehill Capital Chief Compliance Officer periodically checks to confirm that the Fund is maintained in accordance with its stated objectives.

The Fund will make available to each limited partner (i) annual audited GAAP financial statements for the Fund (including a statement of the limited partner's closing capital account balance) showing the fair value of the Fund's investments, (ii) unaudited quarterly financial reports for the first three quarters of each fiscal year showing the relevant limited partner's capital account balance and the fair value of such limited partner's interest in the Fund and (iii) annual tax information. The Fund will also make available to its limited partners descriptive investment information for each portfolio company periodically.

CLIENT REFERRALS AND OTHER COMPENSATION

Shorehill Capital and/or its affiliates may provide certain business or consulting services to companies in the Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Partnership Agreement, a portion of this compensation will, in many cases, offset a portion of the Management Fees paid by the Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. See "Advisory Business—Fees and Compensation."

From time to time, Shorehill Capital may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in the Fund. Any fees payable to any such placement agents will be borne by Shorehill Capital indirectly through an offset against the Management Fee, although related expenses

incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal, and entertainment expenses, typically are borne by the Fund.

CUSTODY

Shorehill Capital maintains custody of the assets held in each Fund's name with the following qualified custodians as and if needed: Silicon Valley Bank, 3003 Tasman Drive, Santa Clara, CA 95054.

INVESTMENT DISCRETION

Shorehill Capital has discretionary authority to manage investments on behalf of the Fund. As a general policy, Shorehill Capital does not allow clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreement, however, Shorehill Capital may enter into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in the Fund may be altered or varied, including, in some cases, the right to opt out of certain investments for legal, tax, regulatory or other similar reasons. Shorehill Capital assumes this discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the limited partners of the Fund.

VOTING CLIENT SECURITIES

Shorehill Capital has adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Fund's portfolio investments. The Proxy Policy seeks to ensure that Shorehill Capital votes proxies (or similar instruments) in the best interest of the Fund, including where there may be material conflicts of interest in voting proxies. Shorehill Capital generally believes its interests are aligned with those of the Fund's investors, for example, through the principals' beneficial ownership interests in the Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Shorehill Capital may address the conflict using several alternatives, including by seeking the approval or concurrence of the Fund's investment committee, on the proposed proxy vote, or through other alternatives set forth in the Proxy Policy. Additionally, the Fund's investment committee may approve Shorehill Capital's vote in a particular solicitation. Shorehill Capital does not consider service on portfolio company boards by Shorehill Capital personnel or Shorehill Capital's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Shorehill Capital when voting proxies on behalf of the Fund. Clients or investors that would like a copy of Shorehill Capital's complete Proxy Policy or information regarding how Shorehill Capital voted proxies for particular portfolio companies may contact Todd C. Schneider, the Shorehill Capital Chief Compliance Officer, at (312) 876-8632, and it will be provided to you at no charge.

FINANCIAL INFORMATION

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

FORM ADV PART 2B
INVESTMENT ADVISER BROCHURE SUPPLEMENT

SHOREHILL CAPITAL LLC

**10 S. Wacker Drive, Suite 3300
Chicago, IL 60606
(312) 876-7267
<http://www.shorehillcapital.com>**

March 2019

Capitalized terms used but not defined in this Brochure Supplement have the meanings ascribed to them in the Investment Adviser Brochure of Shorehill Capital LLC (“**Shorehill Capital**”). This Brochure Supplement provides information regarding investment personnel acting on behalf of Shorehill Capital.

If you have any questions about the supplemental information contained in this Supplemental Brochure, please contact Todd C. Schneider, the Shorehill Capital Chief Compliance Officer, at (312) 876- 8632. All investment personnel mentioned in this Brochure Supplement can be reached at the address and phone number provided at the beginning of this Brochure.

David O. Hawkins

Educational Background and Business Experience

Mr. Hawkins co-founded Shorehill Capital in 2013. He holds a B.S. from Indiana University and an M.B.A. from Northwestern University. Mr. Hawkins serves on the Board of Directors of Belt Power LLC, Tribus Aerospace LLC, Power Grid Components Inc., Functional Devices LLC, and Jasper Engine Exchange, Inc.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Hawkins.

Other Business Activities

Mr. Hawkins is not engaged in any investment-related business outside of his roles with Shorehill Capital and its affiliated investment adviser CHS Capital LLC (“**CHS**”).

Additional Compensation

Outside of his roles with Shorehill Capital and CHS, Mr. Hawkins does not receive any additional compensation that is required to be disclosed.

Supervision

As an Investment Team Leader, Mr. Hawkins is part of a team that is responsible for implementing and overseeing the investment strategy of Shorehill Capital. Mr. Hawkins is not directly supervised by any one individual, as he is a Co-Managing Partner of Shorehill Capital.

Brian P. Simmons

Educational Background and Business Experience

Mr. Simmons co-founded Shorehill Capital in 2013. He holds an A.B. from Cornell University. Mr. Simmons serves on the Board of Directors of Belt Power, LLC, Tribus Aerospace LLC, Power Grid Components Inc., and Functional Devices LLC. Mr. Simmons also serves on the Board of Directors of the Chicago Public Education Fund, is a Trustee of Deerfield Academy, is a Life Trustee of Lincoln Park Zoo, is President of Diamond Investment Corp and is a Director of 1500 Lake Shore Drive Corporation.

Disciplinary History

There are no legal or disciplinary events to disclose with respect to Mr. Simmons.

Other Business Activities

Outside of his roles with Shorehill Capital and CHS, the only investment-related business in which Mr. Simmons is engaged is the operation and management of certain family investment entities. Potential conflicts of interest raised by the non-Shorehill Capital business activities of its personnel are addressed by Shorehill Capital's investment allocations policy.

Additional Compensation

Outside of his roles with Shorehill Capital and CHS, Mr. Simmons receives nominal director fees in connection with his operation and management of certain family investment entities.

Supervision

Mr. Simmons is not directly supervised by any one individual, as he is a Co-Managing Partner of Shorehill Capital.