

# **NORTH SHORELINE ADVISORS LLC**

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**<https://www.northshorelineventures.com>**

## **FORM ADV PART 2A**

### **Firm Brochure**

**February 20, 2019**

**This brochure provides information about the qualifications and business practices of North Shoreline Advisors LLC (“North Shoreline”). If you have any questions about the contents of this brochure, please contact us at 650-557-2333. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about North Shoreline also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT NORTH SHORELINE OR ANY OF ITS ASSOCIATED PERSONS POSSESSES A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY BUSINESS OR ANY OTHER BUSINESS.**

**Item 2: Material Changes**

This brochure dated February 20, 2019 is a new document and accordingly, there are no material changes to report.

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#### **Item 4: Advisory Business**

North Shoreline Advisors LLC (“North Shoreline”), a Delaware limited liability company, is an investment management firm formed in 2018. North Shoreline is owned by Zanbato, Inc. (“Zanbato”), a privately-owned financial services and technology firm, through an intermediate holding company, Zanbato Holding Company LLC (“Zanbato Holding”). North Shoreline currently is an exempt reporting adviser in the State of California.

North Shoreline provides investment management services to private funds, each of which is typically formed for the purpose of investing primarily in the securities of a single venture or growth-stage private technology company (the “NSV Funds”).

North Shoreline intends to provide investment management services to privately offered insurance-dedicated investment pools that are commonly referred to as funds of hedge funds (the “North Shoreline Funds”). Generally, the goal of the North Shoreline Funds will be to achieve consistent capital appreciation through the use of a multi-manager investment strategy across insurance-dedicated funds. North Shoreline intends to allocate the North Shoreline Funds’ capital among various private investment vehicles (each, a “Portfolio Fund” and together, the “Portfolio Funds”).

The NSV Funds and the North Shoreline Funds (together, the “Funds”), are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”) and the Funds’ securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Funds are typically structured as Delaware limited liability companies. An affiliate of North Shoreline, North Shoreline Capital LLC, serves as the manager of each of the Funds (the “Manager”). The Manager retains management authority over the business and affairs of the Funds. For a further description of the Funds, please see Items 7 and 8 below.

North Shoreline provides investment advice to the Funds in a manner that is consistent with the investment objectives and strategies of each Fund, which are set forth in the applicable offering documents of each Fund (the “Governing Documents”). North Shoreline’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments, and disposing of such investments. Investment advice is provided directly to the Funds, and not individually to the investors in the Funds; North Shoreline does not tailor its advisory services to the individual needs of investors in the Funds.

Investors and prospective investors should refer to the Governing Documents for more complete information on the investment objectives and investment restrictions with respect to a particular Fund. There is no assurance that any of the Funds’ investment objectives will be achieved. North Shoreline may provide both discretionary and non-discretionary advisory services to other clients in the future.

As of February 20, 2019, North Shoreline managed regulatory assets under management of approximately \$1,510,000 on a discretionary basis and no assets on a non-discretionary basis.

## **Item 5: Fees and Compensation**

### *Compensation and Fee Schedules*

The fees applicable to each Fund are set forth in detail in each Fund's Governing Documents. A brief summary of those fees is provided below:

As compensation for investment management services, North Shoreline generally receives a management fee from each Fund. Generally, each NSV Fund pays North Shoreline (or an affiliate thereof) 2.0% of the aggregate capital contributions made to the NSV Fund at each closing (excluding capital contributions made by the Manager or its affiliates). In addition, as described in more detail in Item 6 below, the Manager is entitled to receive performance-based allocations or fees from certain of the NSV Funds, in the form of a percentage of proceeds realized upon a liquidation event, as set forth in such Fund's Governing Documents.

North Shoreline intends that each North Shoreline Fund will pay North Shoreline (or an affiliate thereof) a management fee ranging from 1.0% to 1.5% per annum of such North Shoreline Fund's net asset value. Fees will be paid by the North Shoreline Funds either quarterly or monthly in advance. Each investor's share of a North Shoreline Fund's management fees will be deducted from the net asset value of such investor's interests in applicable North Shoreline Fund. If investments of capital are made to a North Shoreline Fund on any day other than the first day of a quarter, the applicable management fee payable with respect to such capital will be pro-rated for the remaining portion of the quarter and charged at the time of such investment. Generally, no reimbursements of management fees will be made for any investments in a North Shoreline Fund that are withdrawn prior to the end of a calendar quarter, or in the case of any investment management agreements between North Shoreline (or an affiliate thereof) and a North Shoreline Fund are terminated prior to the end of a calendar quarter.

North Shoreline (or its affiliates) may, in its sole discretion, reduce, waive or calculate differently the fees with respect to certain investors, including members, partners, stockholders, directors, officers, affiliates or employees of North Shoreline, its affiliates, or the Funds, or such person's family members and trusts or other entities established for the benefit of such person or his or her family. North Shoreline may enter into "side letters" or similar agreements with certain investors in the Funds, granting such investors specific rights, benefits or privileges that are not made available to investors generally.

### *Deduction of Fees*

North Shoreline is authorized under the Governing Documents to charge and deduct fees directly from the assets of the Funds, at the times and in the amounts described above.

### *Other Fees and Expenses*

In addition to the management fees payable to North Shoreline and the performance allocations to the Manager (with respect to certain NSV Funds), each Fund (and, indirectly, the investors therein) will pay the expenses disclosed in the applicable Fund's Governing Documents. Each Fund pays for all costs and expenses that in the good faith judgment of the Manager are incurred by or arise out of the formation, operation or activities of the Fund, the Fund's investment in any Portfolio Fund (with respect to the North Shoreline Funds), or the Fund's investment in any single venture, growth-stage private technology company, or other investment (each a "Portfolio Investment" and together, the "Portfolio Investments") (with respect to the NSV Funds), including but not limited to: (a) all out-of-pocket expenses incurred by or on behalf of the Manager or any affiliate(s) thereof in connection with the organization of the Fund and the offering of interests in the Fund and the Fund's investment in any Portfolio Fund or Portfolio Investment (including fees and disbursements of attorneys, accountants and other professionals and other fees and expenses); (b) the costs and expenses incurred in connection with maintaining the organizational existence of the Fund and its investment in each Portfolio Fund or Portfolio Investment; (c) fees and expenses of administrators, custodians, outside counsel, consultants, accountants (including audit and certification fees) and other similar outside advisors in connection with the Fund and each Portfolio Investment; (d) any taxes, fees or other governmental charges levied against the Fund or on its income or assets or in connection with its business or operations; and (e) all other costs and expenses of the Fund or the Manager in connection with the Fund (such as repayment of amounts borrowed, costs of insurance, costs of litigation, liabilities, obligations, indemnification and costs of winding-up and liquidating the Fund).

Additionally, each North Shoreline Fund's investment in Portfolio Funds will be subject to the fees and expenses of the individual Portfolio Funds, including a pro rata share of brokerage or other transaction costs on securities trades, as well as management fees and performance-based fees or allocations payable by the Portfolio Funds. The managers of certain of the Portfolio Funds have agreed to rebate to Zanbato Securities between 10% and 30% of the annual management and other fees paid by each North Shoreline Fund. See Item 12 for additional information.

As described in more detail in Item 10 below, North Shoreline's broker-dealer affiliate, Zanbato Securities LLC ("Zanbato Securities") and its registered representatives may receive fees or commissions in connection with the sale of interests in the Funds, and in connection with the Funds' purchase and/or sale of Portfolio Investments or interests in Portfolio Funds. See Item 12 for information regarding brokerage practices.

North Shoreline may compensate third parties that assist with new investment identification and pre-investment due diligence for the Funds through payment of a fixed consulting fee, a percentage of the management fee, or through allocation of a portion of the performance allocation.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

### *Performance-Based Fees*

Certain of the NSV Funds pay performance-based fees or allocations to North Shoreline or its affiliates. Please refer to the Governing Documents of each NSV Fund for more complete information on the performance-based compensation arrangements of each NSV Fund. The performance-based fee arrangements discussed above comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended, or fall within the exception set forth in Section 205(b)(5) thereof.

Performance-based fee arrangements may create an incentive for North Shoreline to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

The North Shoreline Funds do not pay any performance-based fees.

### *Side-by-Side Management*

The payment by some, but not all, Funds of performance-based compensation, or the payment of performance-based compensation at varying rates may create an incentive for North Shoreline to disproportionately allocate time, services, or investment opportunities to Funds subject to performance-based compensation. North Shoreline seeks to allocate investment opportunities fairly and equitably over time to the Funds to the extent such opportunities are appropriate for such Funds. In addition, North Shoreline and its affiliates may purchase on behalf of the NSV Funds, different classes of equity of the same issuer. This may be deemed to create a conflict of interest because North Shoreline may be required to take certain actions for some clients with respect to one class of equity that may be adverse to other clients who hold other classes of equity of the same issuer. In addition, a conflict could exist to the extent North Shoreline or an affiliate has a proprietary interest in certain Funds or where North Shoreline's management persons have personal investments in certain Funds. North Shoreline may have an incentive to favor certain clients over others because of these factors. North Shoreline has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent these conflicts from influencing the allocation of investment opportunities among the Funds.

## **Item 7: Types of Clients**

North Shoreline provides advice to pooled investment vehicles. Investors in the Funds may include corporations, endowments, foundations, trusts, estates, family offices, high net worth individuals, other institutional investors and insurance carriers (including separate accounts established by insurance carriers for the benefit of specified insurance policy or annuity holders).

The Funds are offered in the United States to "accredited investors" as defined under Regulation D under the Securities Act. Certain Funds are offered only to "qualified purchasers" as defined under Section 2(a)(51) of the Investment Company Act, and are therefore not required to register as investment companies under the Investment Company

Act in reliance upon the exemption under Section 3(c)(7) for funds whose securities are not publicly offered.

Other Funds are offered only to “qualified clients” as defined in Rule 205-3 under the Advisers Act, and rely upon the exclusion provided in Section 3(c)(1) of the Investment Company Act, which permits a private investment company to sell its shares on a private placement basis so long as it limits its U.S. beneficial owners to no more than 100 permitted U.S. persons. These requirements are disclosed in each Fund’s Governing Documents.

Interests in the North Shoreline Funds will be only be offered to prospective insurance company investors on behalf of one or more of their separate accounts for the holders of variable life insurance and variable annuity contracts to be issued by the insurance company investors. Interests in the North Shoreline Funds are designed to be an investment option under such variable life insurance and variable annuity contracts.

North Shoreline may in the future provide investment management and supervisory services to separate account clients from time to time.

#### *Minimum Investment Requirements*

Investors in the Funds are generally required to make a minimum initial investment of \$100,000 (with respect to the NSV Funds) or \$250,000 (with respect to the North Shoreline Funds) or such other amount as may be set forth in the Governing Documents of such Fund, although North Shoreline may accept lower amounts in its (or the Manager’s) discretion.

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

#### *Methods of Analysis and Investment Strategies*

North Shoreline’s investment programs are speculative and entail substantial risks. There can be no assurance that the Funds’ investment objectives will be achieved. Accordingly, North Shoreline’s investment strategies could result in substantial losses to investors under certain circumstances.

#### *Material Risks*

Although investments in the Funds may result in significant returns to investors, they also involve a substantial degree of risk. The Funds generally accept only investors that are able to bear the financial risk of the investment strategy for an indefinite period of time and are able to sustain the loss of all or a significant part of their investment.

Prospective investors in the Funds should carefully review the risks described in the Governing Documents for the relevant Fund, and should evaluate the merits and risks of an investment in the context of their overall financial circumstances. The risk factors below are not intended to be exhaustive and should be considered carefully by prospective investors together with the full text of the Governing Documents for the applicable Fund.



### *North Shoreline Funds*

**Fund of Funds.** The objective of the North Shoreline Funds will be to provide consistent capital appreciation through the use of a multi-manager investment strategy. To achieve this objective, North Shoreline intends to allocate the assets of each North Shoreline Fund primarily among private Portfolio Funds which, in turn, are expected to invest in publicly traded equities, futures, commodities and other assets. Portfolio Funds will be managed by external investment managers (the “External Managers”) selected primarily for their specialized expertise and significant investment histories and/or prospects, as determined by North Shoreline.

North Shoreline will have discretion to invest each North Shoreline Fund’s assets in Portfolio Funds in a manner that it considers will best achieve the objectives of such North Shoreline Fund, subject to the availability of Portfolio Funds in which to invest, cash flows and other factors.

Each External Manager will make the actual investment decisions with respect to the Portfolio Fund it manages. North Shoreline will select the Portfolio Funds into which a North Shoreline Fund’s assets will be allocated and may reallocate such assets upon evaluating the performance and other aspects of the External Managers and the Portfolio Funds they manage. North Shoreline’s ability to make such reallocations may be constrained by the limited withdrawal rights of the Portfolio Funds. North Shoreline’s research and analysis process focuses on meeting potential External Managers and reviewing their risk management and investment style. North Shoreline’s investment committee intends to review each North Shoreline Fund’s portfolio as a whole to achieve a diversification of investment risks and strategies across each such portfolio.

**Risks of the Multi-Manager Strategy.** North Shoreline will not have any control over the investments made by External Managers. Furthermore, North Shoreline’s ability to reallocate capital among the Portfolio Funds will be constrained by the withdrawal limitations imposed by the Portfolio Funds. These withdrawal limitations will prevent a North Shoreline Fund from reacting rapidly to market changes should a External Manager fail to effect portfolio changes consistent with such market changes and the demands of North Shoreline. Such withdrawal limitations will also restrict North Shoreline’s ability to terminate investments in Portfolio Funds that are poorly performing or have otherwise had adverse changes. Although North Shoreline employs a due diligence process to review each External Manager’s back office and accounting systems and conducts background checks, there is no assurance that such efforts will detect fraud, malfeasance, inadequate back office systems or other flaws or problems with respect to the External Manager’s operations and activities. The multi-manager approach may also limit North Shoreline’s access to information about a Portfolio Fund’s investments, as investors in the various Portfolio Funds typically have no right to demand such information of the External Managers.

Nevertheless, North Shoreline will use its commercially reasonable efforts to periodically gather quantitative and qualitative information from the External Managers. There is no guarantee that the information will be accurate or timely. Moreover, the information may be proprietary and may not be provided.

The Portfolio Funds will trade wholly independently of each other and, at times, may hold economically offsetting positions. To the extent that the External Managers do, in fact, hold such positions, a North Shoreline Fund, considered as a whole, cannot achieve any gain or loss despite incurring expenses. Alternatively, two or more External Managers may employ similar strategies or invest in some of the same securities, resulting in less diversification to a North Shoreline Fund than may be desired. In addition, a External Manager will generally be compensated based on the performance of its portfolio. Accordingly, a particular External Manager may receive incentive compensation in respect of its portfolio for a period even though a North Shoreline Fund's overall portfolio depreciated during such period.

**Risks of External Manager Strategies and Execution.** A External Manager may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to North Shoreline. These strategies may involve risks under some market conditions that are not anticipated by the External Manager, North Shoreline or a North Shoreline Fund. The External Managers may use investment strategies that differ from those typically employed by traditional managers of portfolios of stocks and bonds, or may diverge from the strategy disclosed to North Shoreline. The strategies employed by the External Managers may involve significantly more risk and higher transaction costs than more traditional investment methods. In addition, External Managers may not execute their strategy efficiently or consistent with past practices or its disclosure, leading to underperformance or losses to a North Shoreline Fund. A North Shoreline Fund will seek to reduce these risks by spreading the investments of a North Shoreline Fund among a variety of different External Managers. However, it is possible that the performance of the External Managers may be closely correlated in some market conditions, resulting (if those returns are negative) in significant losses to a North Shoreline Fund and its investors. Many of the External Managers are dependent on the services of a small number of persons and the loss of any such person's services could have a materially adverse effect on a North Shoreline Fund's investment with such External Manager.

**Dependence Upon North Shoreline and the External Managers.** The success of a North Shoreline Fund will depend upon the ability of North Shoreline (and its affiliates) and the External Managers to develop and implement investment strategies that achieve a North Shoreline Fund's investment objectives. Subjective decisions made by North Shoreline and/or the External Managers may cause a North Shoreline Fund to incur losses or to miss profit opportunities on which it would otherwise have capitalized. Although a North Shoreline Fund will evaluate the ability and strategy of each Portfolio Fund, it cannot cause the External Managers of such Portfolio Funds to take or not take any specific actions.

### ***NSV Funds***

**Secondary Investments.** The market for secondary investments has been evolving and is likely to continue to evolve. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the NSV Funds and adversely affecting the terms upon which investments can be made. Accordingly, there can be no assurance that the NSV Funds will be able to identify sufficient investment opportunities or that they will be able to acquire sufficient secondary investments on attractive terms. In addition, in the cases where an NSV Fund acquires an

equity security in a secondary transaction, such NSV Fund may acquire contingent liabilities of the seller of such interest.

**Investments in Less Established Companies.** The NSV Funds' will typically invest in less established companies. Investments in such early stage companies may involve greater risks than generally are associated with investments in more established companies. To the extent that there is any market for the Portfolio Investments, these securities may be subject to more abrupt and erratic price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore are often more vulnerable to financial failure. Such companies may also have shorter operating histories and in many cases, if operating, will have negative cash flow.

**Information Asymmetry.** Due to the lack of publicly available information regarding the issuers of the Portfolio Investments, significant information asymmetries may exist between buyers and sellers of such securities. There can be no assurance that NSV Funds will have access to the same information relating to the underlying companies as the counterparty to any trade in such securities.

**Uncertain Exit Strategies.** Due to the illiquid nature of the securities in which the NSV Funds may acquire, North Shoreline is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized, due to economic, legal, political or other factors.

**Minority Investments.** The NSV Funds' investments represent minority stakes in private companies. Such minority stakes will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. In addition, as minority investors, the NSV Funds typically will not have information rights with respect to the Portfolio Investments.

**Non-diversification Risks.** The NSV Funds typically hold securities of only a single issuer, such that the gains and losses on a single Portfolio Investment will have a greater impact on an NSV Fund than on a diversified fund.

**Reliance of Management of Portfolio Investments.** The NSV Funds generally invest in private companies managed by unaffiliated management. North Shoreline generally will not have any influence or control over the day-to-day or long-term management of the underlying portfolio companies. There can be no assurance that the current or future management team of a portfolio company will be able to successfully operate such portfolio company. A portfolio company may depend for its success on the management talents and efforts of one individual or a small group of individuals whose death, disability or resignation would significantly adversely affect such portfolio company's performance.

## ***General***

**Illiquid Investments.** North Shoreline, on behalf of the Funds, invests in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and North Shoreline, on behalf of such Fund, may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid assets often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of assets eligible for trading on national securities exchanges or in the over-the-counter markets. Such Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Thus, there can be no assurance as to the timing and amount of distributions from certain Funds and any distribution that would require either an in kind distribution or a forced sale of illiquid investments at a price deemed unattractive by North Shoreline may occur. Restricted assets may sell at a price lower than similar assets that are not subject to restrictions on resale.

**Competition and Supply for Investments.** North Shoreline's success in investing will depend, in part, on its ability to obtain Portfolio Investments and invest in Portfolio Funds on advantageous terms. In purchasing investments, the Funds will compete with a broad spectrum of investors and institutions. Increased competition for, or a diminution in the available supply of, investments which meet a Fund's investment objectives could result in lower yields on such investments, which could reduce returns to investors.

**Reliance on Management.** All decisions with respect to the management of the Funds and the investments of the Funds will be made by the Manager and/or its affiliates, and thus the investors must rely on the ability of the Manager and/or its affiliates to make appropriate investments for the Funds and to manage and dispose of such investments. In addition, the timing and form of distributions from the Funds will be subject to the discretion of the Manager. Investors will generally have no right or power to participate in the affairs or investment activities of the Funds or to replace the Manager. Accordingly, no person should purchase a limited liability company interest in a Fund unless such person is willing to entrust all aspects of the management of such Fund and the investments of such Fund to the Manager and/or its affiliates.

**Dependence on Key Personnel.** The success of the Funds will be highly dependent on the expertise and performance of North Shoreline's investment team. There can be no assurance that the members of the investment team will continue to be associated with the Manager of the Funds or any of their affiliates throughout the life of the Funds. The loss of certain of these individuals could have a significant adverse impact on the business of the Funds. Investors in the Funds may have no recourse in the event that any of these individuals ceases to perform services for the Funds. Investors are not expected to be permitted to withdraw investments in the Funds as a result of the departure of any one of the professionals responsible for the activities of the Funds.

**General Investment Risk.** The value of investments may fall or fluctuate widely. Changes in economic, political or market conditions or the regulatory environment may adversely impact investments. In addition, other factors may affect particular investments (i.e., interest rates and exchange rates) and consequently their value may fall. There are no assurances that North Shoreline will anticipate these developments and North Shoreline does not guarantee the performance of any particular investment.

**Volatility.** North Shoreline invests in securities which are subject to a high degree of volatility and therefore the performance of the Funds may be volatile.

**Cybersecurity Risk.** As part of its business, North Shoreline processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the investors. Similarly, service providers of North Shoreline and the Funds may process, store and transmit such information. North Shoreline has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software provided by third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to North Shoreline may be susceptible to compromise, leading to a breach of North Shoreline's network. North Shoreline's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of North Shoreline's information systems may cause information relating to the transactions of investors in the Funds and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

The service providers of North Shoreline and the Funds are subject to the same electronic information security threats as North Shoreline. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Funds and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of North Shoreline's or the Funds' proprietary information may cause North Shoreline or the Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Funds and the investors' investments in the Funds.

**Equity Securities.** North Shoreline primarily recommends equity securities to the Funds. Equity securities fluctuate in value in response to many factors, including the activities, results of operations, and financial condition of individual companies; the business market in which individual companies compete; industry market conditions; interest rates; and general economic environments. In addition, events such as domestic and international political instability, terrorism and natural disasters may be unforeseeable and contribute to

market volatility in ways that may adversely affect investments made by North Shoreline on behalf of the Funds.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS TO INVESTORS IN THE FUNDS. POTENTIAL INVESTORS MUST READ THE APPLICABLE GOVERNING DOCUMENTS, INCLUDING ALL ATTACHMENTS, AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISORS, BEFORE DECIDING TO INVEST WITH NORTH SHORELINE.**

#### **Item 9: Disciplinary Information**

This Item requires North Shoreline to disclose legal or disciplinary events that would be material to a client's evaluation of North Shoreline's advisory business or the integrity of its management. North Shoreline has no information that is required to be disclosed in response to this Item.

#### **Item 10: Other Financial Industry Activities and Affiliations**

North Shoreline is indirectly controlled by Zanbato, through its intermediate holding company, Zanbato Holding. Zanbato Holding provides investment banking services in the United States through its wholly-owned subsidiary, Zanbato Securities. Zanbato Securities is a broker-dealer registered with the SEC, a member of the Financial Industry Regulatory Authority, an introducing broker registered with the Commodity Futures Trading Commission, and a member of the National Futures Association (the "NFA"). North Shoreline's management persons are registered representatives of Zanbato Securities and are registered as associated persons with the NFA. In addition, Zanbato Securities is registered as an "alternative trading system" with the SEC and operates pursuant to the exemption from registration as an exchange provided under Securities Exchange Act Rule 3a1-1(a). Zanbato Securities operates a non-exchange trading venue that matches buyers and sellers of private company shares and facilitates transactions, offers corporate advisory and debt facility origination, and provides third party marketing and placement of hedge funds. Zanbato provides investment banking services in the United Kingdom and is passported into multiple European countries through its wholly-owned subsidiary, Zanbato UK Ltd, an entity authorized and regulated in the United Kingdom by the Financial Conduct Authority.

#### *Relationships with Related Persons*

Various potential or actual conflicts of interest may arise from the overall activities of Zanbato and its affiliates. Zanbato, through its affiliates, engages in a broad range of activities, including without limitation, operating a non-exchange trading venue that matches buyers and sellers of private company shares and facilitates transactions, providing M&A advisory and capital raising services, and debt facility origination, third party marketing and placement of selected hedge funds. The Funds may benefit from these activities and the relationships that arise incidental to such activities, which could generate investment and other opportunities. However, situations could arise in which the activities of Zanbato or its affiliates conflict with the interests of the Funds. Any such conflict of

interest could have a material adverse effect on the Funds and their investors. However, North Shoreline and its affiliates have substantial incentives to see that the assets of the Funds appreciate in value, and merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of the Funds. When a conflict of interest arises, North Shoreline will endeavor to ensure that it is resolved fairly. North Shoreline has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest. For example, all employees of North Shoreline must promptly report to the Chief Compliance Officer any potential or actual conflict of interest that results from that employee's position or duties, including potential or actual conflicts related to personal account trading, business affiliations, directorships, and the giving and receiving of business gifts and entertainment.

Zanbato Securities and its registered representatives may receive fees or commissions in connection with the sale of interests in the Funds and the NSV Funds' purchase and/or sale of Portfolio Investments, and the North Shoreline Funds' investments in Portfolio Funds. In connection with an NSV Fund's purchase of a Portfolio Investment, Zanbato Securities may receive a commission from the NSV Fund or the seller of the Portfolio Investment. In connection with a North Shoreline Fund's investment in a Portfolio Fund, the Portfolio Fund may pay a commission to Zanbato Securities. In addition, certain External Managers have agreed to rebate to Zanbato Securities between 10% and 30% of the annual management fee and other fees paid by each North Shoreline Fund with respect to its investment in a Portfolio Fund, and a portion of those rebates is paid to registered representatives of Zanbato Securities.

North Shoreline's affiliate, North Shoreline Capital LLC, is the Manager of each of the Funds, and receives a performance allocation from the NSV Funds.

North Shoreline may compensate third parties that assist with new investment identification and pre-investment due diligence for the Funds through payment of a fixed consulting fee, a percentage of the management fee, or through allocation of a portion of the performance allocation.

North Shoreline, its affiliates, and their management persons may from time to time invest their own assets in securities or instruments in which North Shoreline may determine to invest a Fund's assets. North Shoreline, its affiliates, and their supervised persons may buy, sell, or hold securities or other investments for their own accounts while making different investment decisions, where applicable, for a Fund. It is expected that, if such investments are made, the size and nature of these investments will vary over time.

Several of the executive officers of North Shoreline are also executive officers of Zanbato as well as other affiliates of North Shoreline, and may spend a substantial amount of time on the business of Zanbato or the business of the other affiliates of North Shoreline. North Shoreline's management will devote as much of their time to the activities of the Funds as they deem necessary and appropriate. North Shoreline and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, including co-investments by certain investors, or from engaging in other business activities, even though such activities may be in competition with each of the

Funds and/or may involve substantial time and resources of North Shoreline, its management and or one or more of its affiliates. These activities could be viewed as creating a conflict of interest in that the time and effort of North Shoreline and its officers and employees will not be devoted exclusively to the business of the Funds, but will be allocated between the business of the Funds and such other investment funds.

Other present and future activities of North Shoreline and its affiliates may give rise to additional conflicts of interest. In the event that a conflict of interest arises, North Shoreline will attempt to resolve such conflicts in a fair and equitable manner.

#### *Selection or Recommendation of Other Advisers*

As discussed above, the North Shoreline Funds invest in Portfolio Funds which, in turn, are expected to invest in publicly traded equities, futures, commodities and other assets. Portfolio Funds will be managed by External Managers selected primarily for their specialized expertise and significant investment histories and/or prospects, as determined by North Shoreline. Zanbato Securities' receipt of rebates from certain External Managers and not others could create an incentive for North Shoreline to recommend certain Portfolio Funds to the North Shoreline Funds over other, more suitable investments from which Zanbato Securities derives no supplemental financial benefits. North Shoreline mitigates such potential conflicts through disclosure to investors and adherence to its Code of Ethics.

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

#### *Code of Ethics*

North Shoreline strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, North Shoreline has adopted a Code of Ethics (the "Code"), which applies to all "supervised persons" of North Shoreline. Supervised persons includes all partners, officers, directors (or other persons occupying a similar status or performing similar functions), and employees of North Shoreline, and other persons who provide investment advice on behalf of North Shoreline and are subject to its supervision and control. The Code is reviewed and updated (if necessary) at least annually. The Code incorporates the following general principles that all of North Shoreline's supervised persons are expected to uphold: supervised persons must at all times place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of a supervised person's position of trust and responsibility must be avoided; supervised persons must not take any inappropriate advantage of their positions; and information concerning the identity of securities and financial circumstances of the Funds, including investors in the Funds, must be kept confidential. The Code also places restrictions on personal trades by supervised persons, including requiring that they disclose their personal securities holdings and transactions to North Shoreline on a periodic basis, and requires that supervised persons pre-clear certain types of personal securities transactions.



North Shoreline will provide a copy of its Code to any investor or prospective investor upon request.

#### *Participation or Interest in Client Transactions; Personal Trading*

On occasion, North Shoreline's supervised persons may buy and sell securities for themselves that they also recommend to the Funds. North Shoreline's supervised persons are investors in some of the Funds managed by North Shoreline. The Code contains policies and procedures designed to prevent improper practices with respect to such transactions, and compliance with the Code by North Shoreline and its supervised persons is the primary method employed by North Shoreline to address the conflicts of interest that arise with respect to these transactions.

While North Shoreline endeavors at all times to act in the best interests of the Funds, investors should be aware that North Shoreline's receipt of compensation from the Funds creates a potential conflict of interest with respect to such transactions.

#### **Item 12: Brokerage Practices**

With respect to the Funds, North Shoreline has discretionary authority to determine the selection of, and commissions paid to, brokers.

When selecting broker-dealers to effect securities transactions, North Shoreline seeks to obtain best execution by considering such factors as price, transaction costs, a broker's or dealer's ability to effect the transactions, its facilities, reliability and financial responsibility, as well as such other factors as North Shoreline considers relevant and beneficial to the Funds. To the extent consistent with achieving best execution, North Shoreline may consider other business a particular broker or dealer has done with North Shoreline, such as identifying investment opportunities and referring Fund investors. Accordingly, the commission rates (or dealer markups and markdowns) charged to the Funds by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services.

#### *Research and Other Soft Dollar Benefits*

Section 28(e) of the Securities Exchange Act of 1934 (the "Exchange Act") provides a safe harbor that permits advisers, when selecting brokers to execute transactions for client accounts, to take into account certain research products and services provided to the adviser by brokers. Clients may pay higher commissions than are obtainable from other brokers as a result of the consideration of research services as a factor in selecting brokers in addition to commission cost and best execution, provided that the adviser determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research services provided by such broker. Research services provided to North Shoreline by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services; and discussions with research personnel. North Shoreline does not currently engage in any soft dollar arrangements in which North Shoreline receives third-party services. However, consistent with obtaining best execution

for clients, North Shoreline may in the future engage in such soft dollar arrangements, provided that such arrangements are of the type described in Section 28(e) of the Exchange Act and are designed to augment North Shoreline's own internal research and investment strategy capabilities.

Receipt of research services from brokers may provide North Shoreline with a benefit because it will not have to produce or pay for the research, products or services. North Shoreline may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on a client's interest in receiving most favorable execution. Research services obtained with the use of commissions arising from portfolio transactions may be used by North Shoreline in its investment activities for all of its clients, and, therefore, any particular client may or may not, in any particular instance, be the direct or indirect beneficiary of the research or services provided.

#### *Directed Brokerage*

North Shoreline does not have any arrangements with any clients that require North Shoreline to execute transactions through a specified broker-dealer.

#### *Trade Aggregation*

North Shoreline does not generally aggregate the purchase or sale of securities for various client accounts as substantially all of the securities purchased for the Funds are interests in private companies or investment funds.

### **Item 13: Review of Accounts**

#### *Review of Client Accounts*

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly, North Shoreline's review of them is not directed toward a short-term decision to dispose of securities. However, North Shoreline closely monitors the Portfolio Funds and Portfolio Investments and performs periodic reviews of the Funds' portfolios. Such reviews are conducted by North Shoreline's investment professionals. Among other criteria, the portfolios are reviewed in the context of North Shoreline's adherence to the investment objectives and guidelines as set forth in the Governing Documents of each Fund.

#### *Reports to Clients*

Investors in the North Shoreline Funds typically receive quarterly written reports, although North Shoreline may provide certain investors with information on a more frequent and detailed basis if agreed to by North Shoreline. In addition, each Fund issues tax reports and audited financial statements to investors generally within 120 days of its fiscal year-end.

Investors should refer to the Governing Documents of the relevant Fund for further information on the reports provided by a particular Fund to its investors.

## **Item 14: Client Referrals and Other Compensation**

### *Economic Benefits Received from Third Parties*

North Shoreline is compensated exclusively by the Funds for providing investment advice. Certain External Managers have agreed to rebate to Zanbato Securities between 10% and 30% of the annual advisory and other fees paid by each North Shoreline Fund with respect to its investment in the Portfolio Fund managed by such External Manager. Zanbato Securities' receipt of rebates from certain External Managers and not others could create an incentive for North Shoreline to recommend certain Portfolio Funds to the North Shoreline Funds over other, more suitable investments from which Zanbato Securities derives no supplemental financial benefits. North Shoreline mitigates such potential conflicts through disclosure to investors and adherence to its Code of Ethics.

### *Third Party Compensation for Client Referrals*

North Shoreline may in the future enter into written agreements with and compensate third party broker-dealers or persons who are registered representatives of broker-dealers for referring investors to the Funds.

## **Item 15: Custody**

Pursuant to Rule 206(4)-2 under the Advisers Act, North Shoreline is deemed to have custody of the assets held by the Funds as a result of its affiliate's authority over the Funds. Each Fund with assets over which North Shoreline is deemed to have "custody" will be audited annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and will distribute such audited financial statements, prepared in accordance with U.S. generally accepted accounting principles, to investors no later than 120 days after the end of such Fund's fiscal year. Investors should carefully review the audited financial statements of the Funds upon receipt, and should compare those statements to any account information provided by North Shoreline.

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

To the extent that North Shoreline holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement, North Shoreline will maintain such securities with a qualified custodian in an account in the name of the Fund.

### **Item 16: Investment Discretion**

Subject to the investment objectives, policies and restrictions of each Fund as set forth in the Governing Documents applicable to such Fund, North Shoreline has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Fund for which it serves as discretionary investment manager.

### **Item 17: Voting Client Securities**

As the Funds primarily invest in private companies and private pooled investment funds, it is anticipated that it will be extremely rare that North Shoreline will receive proxies. However, North Shoreline has, or will accept, authority to vote securities held by any Fund, should the situation arise. North Shoreline has adopted policies and procedures that have been designed to ensure that North Shoreline complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and reflect North Shoreline's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the client.

North Shoreline's general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a manner that serves the best interests of the Funds, as determined by North Shoreline in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the effect on liquidity; and (iv) industry and business practices. In limited circumstances, North Shoreline may refrain from voting proxies where it believes that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to the Funds. Investors in the Funds may not direct North Shoreline's vote in a particular situation.

Prior to exercising its voting authority, North Shoreline will determine whether a material conflict of interest exists related to the proxy in question. If a material conflict is identified, North Shoreline will take steps to ensure that its voting decision is based on the best interests of the Fund and is not a product of the conflict. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar or identical.

Investors may obtain a copy of North Shoreline's Proxy Voting Policy, as well as applicable proxy voting records, by sending a written request to the Chief Compliance Officer at the address set forth on the cover page of this Brochure.

### **Item 18: Financial Information**

North Shoreline believes there is no financial condition that is reasonably likely to impact North Shoreline's ability to meet its contractual commitments to the Funds.

**Item 19: Requirements for State-Registered Advisers**

Not applicable.