

Form ADV Part 2A: Firm Brochure

Item 1. Cover Page

**Gainline Capital Partners LP
700 Canal Street, 5th Floor
Stamford, CT 06902**

(212) 319-3011

www.gainlinecapital.com/

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This brochure (“Brochure”) provides information about the qualifications and business practices of Gainline Capital Partners LP (“Gainline”, the “Adviser”, the “Manager” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Gainline at 212-319-3011. 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 securities authority.

Additional information about the Adviser is also available on the SEC’s web site at <https://adviserinfo.sec.gov/>.

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services. The oral and written communications of an investment adviser provide you with information through which you determine to hire or retain an investment adviser.

Item 2. Material Changes

On an annual basis, Gainline is required to identify and discuss material changes made to this Brochure. This is the initial filing of this Brochure.

You may request the most recent version of this Brochure by contacting Gainline at 212-319-3011.

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Item 4. Advisory Business

- A. Gainline, a Delaware limited partnership formed on April 14, 2015, is an investment advisor located in Stamford, CT. The Firm's founders and principals are Allan Weinstein and Ulric Sullivan (the "Principals"), and the Firm is principally owned by Gainline Capital Intermediate Holdings, LP. Please see Schedule A and Schedule B of the Part 1A of this Form ADV filing for a comprehensive report of Gainline's direct and indirect owners.
- B. Gainline serves as an investment advisor to pooled investment vehicles (each a "Fund" and together the "Funds"). The Firm currently and may in the future provide advisory services to vehicles formed for the purpose of one or more co-investment opportunities. Investors should refer to their respective Offering Documents (as defined below) for disclosures related to co-investment opportunities. The Funds rely on an exemption from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"), pursuant to Section 3(c)(1) of the Investment Company Act.

Gainline provides discretionary investment management services to the Funds pursuant to each Fund's investment advisory agreement with Gainline; and Gainline manages the assets of the Funds in accordance with the applicable limited partnership agreements and other such agreements ("Offering Documents"). Gainline seeks to invest in fundamentally sound businesses which are well-positioned in their respective niches with a focus in the United States lower middle-market.

- C. Gainline does not expect to tailor advisory services to the individual or particular needs of the investors in the Funds. Such investors accept the terms of advisory services as set forth in each Offering Document. The Firm expects to have broad investment authority with respect to the Funds and, as such, investors should consider whether the investment objectives of the Funds are in line with their individual objectives and risk tolerance prior to investment.
- D. Gainline does not participate in wrap fee programs.
- E. As of September 30, 2019, Gainline managed \$161,854,804 million in regulatory assets under management on a discretionary basis.

Item 5. Fees and Compensation

- A. Gainline's fees and compensation arrangement may vary among the Funds. The specific terms of such arrangements are established by Gainline, and as set forth in each Fund's investment advisory agreement and governing documentation. Gainline, as outlined in the Offering Documents, generally charges a management fee of 2.0% per year based on the aggregate commitments during the investment period, and thereafter 2.0% per year based on funded commitments subject to certain reductions, as disclosed in the Offering Documents. The Firm may, at its discretion, waive or reduce such fees for certain investors. The Firm may receive compensation with respect to certain of its underlying portfolio investments, and such compensation will reduce the management fee owed by the Funds to the Firm as described below. In addition, generally the management fee payable by a Fund is reduced by certain administrative and deal fees, a complete description of which is provided in the Offering Documents as described below.

Funds that Gainline may advise in the future may be subject to different fee arrangements as will be provided for in each future Fund's respective Offering Documents.

- B. Gainline generally issues a capital call quarterly in advance for the purpose of collecting management fees. Gainline may reduce or waive the management fee with respect to any Fund or investor.
- C. In addition to the management fees described above, the Funds are responsible for certain offering and organizational expenses as disclosed in the Offering Documents. These expenses include but are not limited to: (i) organizational expenses of the Fund (including all routine administrative expenses of the Fund incurred in the ordinary course, including the cost of the preparation of the annual audit, financial and tax returns, and tax reports required for partners or the Fund, financing expenses, cash management expenses, advisory and consulting expenses, routine legal and accounting expenses, and expenses relating to filings with the SEC (including, but not limited to, fees for legal or regulatory advice or submission costs, such as Forms PF, 13F, 13H, 13G/D, 3, 4 or 5) or other regulatory bodies (including in foreign or local jurisdictions) including expenses related to regulatory and governmental inquiries, subpoenas and proceedings); (ii) all out-of-pocket costs and expenses incurred in holding portfolio investments; (iii) all out-of-pocket costs and expenses incurred in connection with developing, sourcing, evaluating, investigating, negotiating, structuring, acquiring and disposing of portfolio investments or potential portfolio investments (whether or not such potential investments are ultimately made) including, without limitation, any financing, legal, accounting, management, recordkeeping, advisory, consulting and other related administrative fees and expenses in connection therewith, (to the extent such costs and expenses are not reimbursed by Portfolio Companies or other third parties) and the out-of-pocket costs and expenses incurred in connection with obtaining third-party financing (such as commitment fees that are paid (iv) all extraordinary expenses of the Fund (such as any indemnity or litigation expense); and (v) any Fund registration expenses and any taxes, fees or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund. A comprehensive list of all expenses investors in the Funds should be prepared to bear are included in the Offering Documents. At Gainline's discretion, certain fees, including those listed above, may be absorbed in part or in total by the Adviser.

The Manager, the General Partner and their affiliates may, from time to time, receive monitoring fees, advisory fees, directors' fees, deal fees, break-up fees and other similar fees from Portfolio Companies in respect of the Fund's investments therein (such fees, net of any related unreimbursed expenses paid by the Manager, the General Partner or their respective affiliates, "Other Fees"); provided, however, that (i) 100% of such Other Fees (to the extent related to the Fund's proportionate share of the investment in such Portfolio Company determined on a cost basis, and in each case net of related, unreimbursed expenses paid by the Manager or its affiliates) will be credited against future Management Fees, and (ii) "Other Fees" will not include payments to the Manager or its Affiliates in connection with the performance or provision of bona fide services or sale of products on arm's length terms, as further described in the Partnership Agreement.

The Funds incur brokerage costs if applicable; however, due to the nature of the Firm's business, broker-dealers are not generally used. See Item 12 – Brokerage Practices.

- D. The Firm will generally send a capital call for management fees quarterly in advance. In the unlikely event that Gainline does not provide services for a full period, or if accounts are terminated according to the terms set out in each Fund's Offering Documents before the end of the relevant quarter, a pro-rated fee will be returned to the Funds.
- E. Neither Gainline nor any of Gainline's supervised persons will accept compensation for the sale of securities or other investment products.

Item 6. Performance-Based Fees

Typically, Gainline Equity Fund SLP LP (the "Special Limited Partner") is entitled to receive a "carried interest" distribution as specified in each Fund's Offering Documents or investment management agreement. Carried interest is calculated based on a percentage of profits generated from the Fund over a given period of time.

Additionally, the Special Limited Partner is subject to a "clawback" of carried interest previously received to the extent that the Special Limited Partner has received cumulative distributions in excess of amounts otherwise distributable to the Special Limited Partner by such Fund as carried interest. Such "clawback" provisions are applied on an aggregate basis covering all transactions of the applicable Fund.

Vehicles formed for the purpose of co-investment may be subject to different fee arrangements, as negotiated on a case- by-case basis, as outlined in the respective investment advisory agreement and/or other agreement.

The fact that a significant portion of Gainline's compensation is directly computed on the basis of profits generated by the sale/disposition of Fund assets may create an incentive for the Firm to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of performance-based compensation. However, this incentive may be tempered somewhat by the fact that losses will reduce the Fund's performance and thus the Firm's compensation. To further mitigate this conflict, the Firm is committed to acting at all times in the best interests of the Funds. To this end, the Firm has implemented internal controls to address the potential conflicts associated with performance-based fees, as more fully described in each Fund's Operating Documents.

Item 7. Types of Clients

As described above in Item 4 of this Brochure, Gainline currently provides investment advisory services to pooled investment vehicles which generally operate as exempt investment companies under the Investment Company Act of 1940, as amended and one fund vehicle formed for the purpose of one co-investment. The Funds are typically limited to individuals and entities that meet the criteria of "accredited investors". Gainline and/or its affiliates may establish one or more new investment vehicles in the future, as more fully disclosed in Item 11 below, and in each Fund's Offering Documents.

Prospective investors should refer to the Offering Documents of each respective Fund for information on minimum investment requirements. Gainline maintains discretion to

individually waive, increase or reduce the minimum investment required in any Fund vehicle.

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

- A. Gainline is a value-oriented control investor and seeks to invest in fundamentally sound, lower middle-market businesses that are well-positioned in their respective niches. The Firm emphasizes opportunities with attractive deal dynamics, including less competitive deal processes, high return potential and situations where factors other than price are driving the proposed transaction. The Firm also targets companies with characteristics that may deter other investors and create pricing inefficiencies that can lead to higher returns. These characteristics may include, but are not limited to, a storied history, unidentified or undervalued assets, complicated ownership issues, litigation or regulatory matters, identifiable cost savings, opportunities for professionalization and other challenges which Gainline can address with its hands-on management strategy and expertise in due diligence, deal structuring and pricing. Investing in securities involves risk of loss that investors should be prepared to bear.
- B. Gainline focuses on the lower middle-market because the segment provides a large pool of companies with the investment criteria that Gainline seeks – strong fundamentals, attractive deal dynamics and hidden value. Additionally, companies in the lower middle-market have further characteristics that Gainline finds attractive, including (i) less competitive sale processes; (i) attractive growth opportunities through improvements to management, operations and strategic vision; (iii) opportunities for significant multiple expansion; (iv) numerous deal sources with whom the Firm has relationships; and (v) multiple exit options for companies. The Firm believes that the lower middle-market offers several positive dynamics that support the segment’s demand for capital, including: (i) greater difficulty in accessing the more liquid equity and debt markets; (ii) succession issues connected to the aging of company owners; and (iii) burdensome public company reporting standards that reduce the appeal of public offerings

An investment in a Fund involves significant risk and potential conflicts of interest. There can be no assurance that Gainline’s investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks.

- C. *Listed below are some of the risks associated with a Fund investment. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Funds’ investment strategies. For a complete explanation of the Funds’ relevant investment strategies and their associated risks, investors should review the relevant Offering Documents or investment management agreement, which may contain additional explanations of strategies, risks and other related details not discussed below. Terms that are capitalized below but not previously defined in this Brochure carry the meaning included in the Fund’s Offering Documents.*

Nature of Investment in General: An investment in the Fund requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to the Partners. Many if not all of the Fund’s investments will be highly

illiquid, and there can be no assurance that the Fund will be able to realize such investments in a timely manner. The Fund's contemplated exit strategies for its investments can be adversely affected by numerous factors, many of which may be unforeseen or unexpected at the time the investments are made. Consequently, dispositions of the Fund's investments may require a lengthy time period or may result in distributions in kind to the Partners. Additionally, the Fund typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Certain of the Fund's investments may be in businesses with high levels of debt or may be investments in leveraged buyouts; leveraged buyouts by nature require companies to undertake a high ratio of fixed charges to available income. Leveraged investments are inherently which may be more sensitive to declines in revenues and to increases in expenses. Since the Fund may make only a limited number of investments, and since the Fund's investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the Partners. The performance of other investments led by the Principals is not necessarily indicative of the results that will be achieved by the Fund. There can be no assurance that the targeted investment objectives will be attained.

Risk of Total Loss of Capital: There can be no assurance that (i) the Manager will be able to choose, make and realize investments on behalf of the Fund in any particular Portfolio Company, (ii) the Fund will be able to generate positive returns for the Limited Partners or that any positive returns will be commensurate with the risks of investing in the type of companies and transactions described herein or (iii) a Limited Partner will receive any distributions from the Fund. Investors could experience a loss of their entire investment in the Fund. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

Reliance on Portfolio Company Management: While the Principals will be actively engaged in the management of the Fund's investments, each Portfolio Company's day-to-day operations will ultimately be the responsibility of such company's management team. Although the Manager will be responsible for monitoring the performance of each investment and intends to invest in companies run by strong management teams, there can be no assurance that such management teams, or any successors, will be able to operate the Portfolio Company in accordance with the Fund's plans and objectives.

Lack of Investment History: The Fund has not commenced operations and, accordingly, has no investment history upon which potential investors may evaluate its likely performance. There can be no assurance that the Fund will achieve its investment objective or avoid substantial losses. The Fund's investment program should be evaluated on the basis that there can be no assurance that it will be successful. Furthermore, there can be no assurance that investments by the Fund will yield comparable results to those described in Section IV – "Investment Experience of Allan Weinstein" above or even positive returns or that there will be any return of capital. Such rates of return were achieved in the past under different economic and industry environments, with investment professionals different from the investment professionals currently employed by the Manager. There are other material differences between the investments presented in Section IV – "Investment

Experience of Allan Weinstein” herein and the investments that will be made by the Fund (such as the fees that will be borne by the Limited Partners). See Section IV – “Investment Experience of Allan Weinstein – Notes on Investment Experience of Allan Weinstein” for additional details. As a result, investors should not rely on any past performance information presented herein as an indication of future performance of the Fund.

Risks Relating to Due Diligence: Before making investments on behalf of the Fund, the Manager and/or the General Partner will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Investments in the energy industry often require extensive due diligence activities and regulatory approvals including, without limitation, feasibility and technical studies, preliminary engineering and marketing studies, and legal and environmental review, any or all of which may entail significant third-party expenses. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto, which expenses will be borne by the Fund. The due diligence investigation that the Manager and/or the General Partner carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return of invested capital. In the event that an investment is not consummated, the Fund may bear some or all third-party expenses and any termination fees.

Portfolio Company Leverage: The Portfolio Companies in which the Fund invests may be highly leveraged, thereby increasing the risk of the Fund investments in such companies. Restrictive financial and operating covenants may be imposed on leveraged Portfolio Companies, and such companies will also bear the burden of periodic payments to service their debt. This may impair a Portfolio Company’s ability to finance future operations, to obtain additional capital, or to pay principal and interest on the Fund’s investments when due. The leveraged capital structure will increase the exposure of the Fund’s leveraged investments to any deterioration in the applicable Portfolio Company’s condition or industry, competitive pressures, rising interest rates or the general economic environment. These risks are heightened for Portfolio Companies subject to debt with floating interest rates. The Fund’s investments may be unsecured and subordinated to senior indebtedness, all or a significant portion of which may be secured. In the event a Portfolio Company cannot generate adequate cash flow to meet debt service payments when due, the Fund may suffer a partial or total loss of capital invested in the applicable Portfolio Company, which would adversely affect the returns of the Fund. Furthermore, the securities in which the Fund invests generally will not be rated by a credit rating agency.

Distressed and Stressed Issuers: Investment in the securities of financially stressed or operationally troubled issuers involves a high degree of credit and market risk. There can be no assurance that such financially stressed or operationally troubled issuers can be successfully transformed into profitable operating companies. There is a possibility that the Fund may incur substantial or total losses on its investments. During an economic

downturn or recession, securities of financially or operationally troubled issuers are more likely to go into default than securities of other issuers. In addition, it may be difficult to obtain information about financially stressed or operationally troubled issuers

Bankruptcy of Portfolio Companies: The Fund may make investments in Portfolio Companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of the Fund. Investments in assets subject to a workout or under Chapter 11 of the Bankruptcy Code, or the equivalent in foreign jurisdictions, are, in certain circumstances, subject to certain additional potential liabilities which may exceed the value of the Fund's original investment. For example, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or counterclaims may be filed, and lenders may be found liable for damages suffered by various parties as a result of such actions. In addition, under certain circumstances, payments to the Fund and distributions by the Fund to the Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Bankruptcy laws may delay the ability of the Fund to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructuring of the debt through principles such as the "cram-down" provisions of the bankruptcy laws.

Lower Middle Market Companies: Investments in lower middle market companies such as those that the Fund intends to invest in, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in large companies. Small and medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller or less experienced management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Furthermore, there is ordinarily a more limited marketplace for the sale of interests in smaller private companies, which may make realization of gains more difficult by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small and medium-sized companies, could make it difficult for the Fund to react quickly to negative economic or political developments.

Regulation and Enforcement of Private Equity Industry: The growth of the private equity industry, and the increasing size and reach of transactions has prompted additional governmental and public attention to the private equity industry and its practices. The SEC sought information and brought enforcement actions against managers regarding the use of third parties by private equity funds to obtain investments from sovereign wealth funds and their compliance with the Foreign Corrupt Practices Act. The Antitrust Division of the U.S. Department of Justice has previously reportedly issued information requests relating to private equity transactions among multiple fund sponsors. In addition, numerous regulatory initiatives have been launched and significant legislation has been enacted as a

result of the severe global market volatility and dislocations, financial institution failures and defaults and large financial frauds in recent years as more fully described below under “Government Regulation and Changes in Law.” Regulation generally, as well as regulation more specifically addressed to the private equity industry, including tax laws and regulation, whether in the U.S. or outside of it, could increase the cost of acquiring, holding or divesting portfolio investments, the profitability of enterprises and the cost of operating the Fund or the ability of the Fund to engage in certain transactions. Additional regulation could also increase the risk of third party litigation. The transactional nature of the business of the Fund exposes the Fund, the General Partner and the Manager generally to these risks of third party litigation. Under the Partnership Agreement, the Fund will generally be responsible for indemnifying the General Partner, the Manager and related parties for costs they may incur with respect to such litigation.

Importance of the Principals and Key Personnel: The success of the Fund depends in substantial part on the skill and expertise of the Principals and other key personnel to identify, close and manage portfolio investments. The loss of services of these persons could have a material adverse effect on the Fund.

Cyber Security Breaches and Identity Theft: The Manager’s, the Fund’s and its Portfolio Companies’ information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Manager has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Manager, the Fund and/or a Portfolio Company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Manager’s, the Fund’s and/or a Portfolio Company’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Manager’s, the Fund’s and/or a Portfolio Company’s reputation, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance.

Item 9. Disciplinary Information

There have been no legal or disciplinary events involving either Gainline or any of its management persons that are material to Gainline’s advisory business.

Item 10. Other Financial Industry Activities and Affiliations

- A. Neither Gainline nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Gainline nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

- C. Neither Gainline nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.
- D. Gainline does not recommend or select other investment advisers for its Funds.

Item 11. Code of Ethics, Participation or Interests in Fund Transactions and Personal Trading

- A. Gainline has adopted a Code of Ethics (the “Code”) to comply with Rule 204A-1 under the Advisers Act which sets forth standards of business and personal conduct for all Gainline employees. The Code is predicated on the basic idea that employees of Gainline will adhere to the highest ethical and fiduciary standards and will conduct their affairs in accordance with the principles of professionalism, integrity, honesty and trust. The Code establishes policies and procedures that are reasonably designed to (1) prevent fraud and improper personal trading; (2) identify circumstances that may result in an actual or potential conflict of interest or the appearance thereof; and (3) provide a means to resolve such conflicts. Investors and prospective investors may request a copy of the Code by contacting Gainline at the address or telephone number listed on the first page of this Brochure.
- B. As disclosed in Item 8.A(1) of the Part 1A of this Form ADV, Gainline does not participate in principal transactions.
- C. As disclosed in Item 8.A(2) of the Part 1A of this Form ADV, Neither Gainline nor any of Gainline’s related persons buy or sell securities that Gainline recommends to the Funds.
- D. As disclosed in Item 8.A(3) of the Part 1A of this Form ADV, Neither Gainline or Gainline’s related persons may recommend securities to the Funds in which Gainline or Gainline’s related persons has some other proprietary (ownership) interest (other than those mentioned in 11.B and 11.C above). For the avoidance of doubt, the Firm offers co-investment opportunities pursuant to the limitations outlined in each Fund’s Offering Documents.

Other Potential Conflicts of Interest

Investors should be aware that there may be occasions where the Manager and its affiliates encounter potential conflicts of interest in connection with the Fund’s activities. The Manager, and its affiliates may engage in activities, including but not limited to financial advisory activities and investment activities, that are independent from, and may from time to time conflict with, that of the Fund. In the future, there may arise instances where the interests of the Manager and its affiliates conflict with the interest of the Fund and its Partners. Also, as a result of existing investments and activities, the Manager and its affiliates may from time to time acquire confidential information that they will not be able to use for the benefit of the Fund. The following briefly summarizes some of these

conflicts, but is not intended to be an exclusive list of all such conflicts:

New Investment Vehicles: The Manager and/or its affiliates may establish one or more new investment vehicles in the future that would be exposed to certain investment strategies deployed on behalf of the Fund. Limited Partners might or might not be permitted to participate in such new investment vehicles as determined by the Manager or its affiliates. The Manager has no obligation to recommend for purchase or sale by the Fund any securities that the Manager, its affiliates or any of their related persons may purchase for themselves or for any other client. In addition, the ability of the Manager to effect and/or recommend transactions for certain or all clients may be restricted due to actual or perceived regulatory requirements in the United States or elsewhere, to the Manager's or a related person's internal policies designed to comply with such requirements, to actual or perceived conflicts of interest, to operational issues, and/or to other issues. Regulatory or contractual limitations related to effecting transactions for certain clients may not apply to other clients, resulting in differences in investments and returns.

Resolution of Conflicts: On any matter involving a conflict of interest not contemplated by the Partnership Agreement or herein (i) the General Partner will be guided by its sole discretion as to the best interests of the Fund and any other fund managed by the General Partner, and will take actions as are determined in the sole discretion of the General Partner to be necessary or appropriate to ameliorate such conflicts of interest, and (ii) the General Partner will consult with the LP Advisory Committee with respect to any matter which the General Partner has determined in its sole discretion presents a conflict of interest that it cannot resolve

Service Providers: Certain service providers (or their affiliates), including administrators, lenders, brokers, attorneys, consultants and investment banking firms, that the Manager may retain or seek to have retained for the Fund or its Portfolio Companies (or with respect to the Fund's portfolio investments therein) may also have relationships with, or have provided goods or services to, the Manager, its affiliates or other organizations to which senior investment professionals of the Manager have been affiliated. The Manager may choose to engage or seek to have engaged the same service providers to provide services to the Fund, Portfolio Companies, the Manager or its Affiliates. In some cases, these service providers may provide services for one or more of these parties on terms that are more beneficial than those afforded to other of these parties. There can be no guarantee that the Fund or any of its Portfolio Companies will receive the most beneficial terms offered by any particular service provider. These services and relationships, or more favorable terms offered by service providers, may influence the General Partner and the Manager in deciding whether to select such a provider to perform services for the Fund or Portfolio Companies.

Co-Investments: The General Partner may, but will be under no obligation to, offer co-investment opportunities to any persons, including Limited Partners, strategic investors, affiliates of the Manager or third parties, the terms of which will be determined by the General Partner but may include the opportunity to co-invest on a no-fee, no-carry basis. To the extent such co-investment opportunities are offered on a no-fee, no-carry basis, the portion of any Other Fees that is allocable to such co-investors may not be offset against the

Management Fee. Such co-investments will generally be limited to the capital invested in the applicable Portfolio Company and may not bear the expenses associated with developing and consummating the investment opportunity or post-closing monitoring expenses, in each case not reimbursed by the Portfolio Company. Such potential co-investors may also not bear broken deal expenses, in which case the full amount of such expenses would be borne by the Fund. The General Partner and the Manager or any of their affiliates may charge carried interest, management and other fees to any co-investors with respect to any co-investment, and may make an investment or otherwise participate, in any vehicle formed to structure a co-investment to facilitate receipt of such carried interest and fees. As a general matter, the General Partner, in determining the allocation of discretionary co-investment opportunities, generally expects to take into account various facts and circumstances deemed relevant by the General Partner. Such factors may include, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with Gainline, the size of the potential co-investor's interest to be held in the underlying Portfolio Company as a result of the Fund's investment (which may be based on the size of the potential co-investor's investment in the Fund), whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of Gainline, the Fund, or other co-investments, and such other factors that Gainline deems relevant under the circumstances. Prospective investors should also note that Limited Partners are not required to participate in co-investments offered by the General Partner.

Item 12. Brokerage Practices

- A. Gainline does not make regular use of brokers for the purposes of purchasing or selling securities on behalf of Gainline's Funds because the securities that it typically purchases or sells on behalf of Gainline's Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions. In the event Gainline ever participates in such activity, the Firm will ensure best execution is obtained for the Funds.

Item 13. Review of Accounts

- A. The Funds' Portfolio Companies are continuously monitored and reviewed by the Firm's investment personnel. Gainline's Principals are primarily responsible for portfolio and risk management.
- B. A review may be triggered by material changes in key variables that may affect the performance of the Portfolio Companies, including, without limitation, changes in the financial markets, activity and trends in the political or economic environment, as well as the specific circumstances affecting each Fund.
- C. Audited financial statements are provided to investors in each Fund, generally within 120 days of the end of the Fund's fiscal year as required by Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). Further, Gainline provides to all investors a quarterly investor letter, quarterly financial statements and quarterly capital account statements.

Item 14. Client Referrals and Other Compensation

- A. The Firm does not receive an economic benefit from anyone, other than its Funds, for providing investment advice or other advisory services to the Funds.
- B. Neither Gainline nor any related person directly or indirectly compensate any person who is not a supervised person for Fund referrals.

For the avoidance of doubt, Gainline has in the past and may in the future compensate one or more placement agents for the referral of investors for its Funds.

Item 15. Custody

Gainline is deemed to have custody of the assets of each Fund because it or an affiliate serves as the Fund's General Partner. Gainline and/or such General Partner can withdraw a Fund's cash and/or securities held with a custodian upon such General Partner's instruction to the custodian. Therefore, Gainline is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule").

In accordance with the Custody Rule, the Firm adheres to the applicable requirements of the Custody Rule with respect to the Funds' assets. The CCO ensures that all privately offered securities, not held at a qualified custodian, do not violate the Private Security Exemption provided in the Custody Rule; so long as such securities are (i) acquired from the issuer in a transaction not involving any public offering, (ii) uncertificated (with ownership recorded only on the books of the issuer or its transfer agent in the name of the Fund), and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. The Firm is responsible for arranging for annual independent audits of the Funds by an accounting firm, registered with and subject to inspection by the Public Company Accounting Oversight Board within 120 days of the Funds' fiscal year end, and for obtaining audited financial statements prepared in accordance with Generally Accepted Accounting Principles. Gainline arranges for the delivery of such audited financial statements to investors of the Funds within 120 days of the Funds' fiscal year end.

Item 16. Investment Discretion

Gainline generally accepts discretionary authority to manage assets and securities on behalf of its Funds. In such instances, Gainline accepts discretion through the investment management agreements with such Funds.

Item 17. Voting Fund Securities

- A. Gainline accepts authority to vote securities held by the Funds. Gainline's 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 Gainline in its sole discretion.

At times, conflicts may arise between the interests of a Fund and the interests of Gainline or its affiliates. If a conflict of interest is identified, Gainline will not make related proxy voting decisions until it has been determined that the conflict of interest is not material or a method for resolving the conflict of interest has been agreed upon and implemented. Materiality determinations will be based on an assessment of the particular facts and circumstances and written record of all materiality determinations are maintained.

Gainline will maintain or have available written or electronic copies of each proxy statement received and of each executed proxy. A copy of Gainline's proxy voting policies and procedures can be made available to investors upon request.

- B. Gainline has the authority to vote client securities, and therefore this item is not applicable.

Item 18. Financial Information

- A. Gainline does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus is not required to include a balance sheet for its most recent fiscal year.
- B. Gainline is not aware of any financial condition that is likely to impair its ability to meet contractual commitments to clients.
- C. Gainline has not been the subject of a bankruptcy petition at any time during the past ten years.
