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Tree Line Capital Partners

Form ADV – Part 2A

March
2018

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ITEM 1 – COVER LETTER

Part 2A of Form ADV Brochure

March 2018

This Part 2A of Form ADV Brochure, dated as of March 2018 (this “Brochure”) provides information about the qualifications and business practices of Tree Line Capital Partners, LLC (the “Registrant”, or together with its relying advisers, “Tree Line”). If you have any questions about the contents of this Brochure, please contact Nicole Fiorenza Antoon, Chief Compliance Officer, at (504) 569-7903. 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.

Tree Line is an investment adviser registered with the SEC under the Investment Advisers Act of 1940 (the “Act”). Registration of an investment adviser does not imply any level of skill or training. Additional information about Tree Line is also available on the SEC’s website at: www.adviserinfo.sec.gov.

This Brochure is not intended for distribution to, or use by, any party other than its investment advisory clients.

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ITEM 2. MATERIAL CHANGES

The purpose of this section is to provide details of material changes since the last Part 2A of Form ADV Brochure, dated March 15, 2017, (the “2017 Brochure”). If you are receiving this Brochure for the first time however, these changes may not be relevant to you. This Brochure should be read in its entirety.

Tree Line Co-Investment Fund, LP changed its name to Tree Line Credit Strategies, LP (“TLCS”). Other than this change, there are no material changes to the 2017 Brochure.

In the future, when Tree Line amends its Part 2A of Form ADV Brochure for its annual update and the amended version contains any material changes from the last annual update, Tree Line will identify and describe those changes on this page.

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ITEM 4. ADVISORY BUSINESS***Nature of Advisory Business***

Tree Line is a Delaware limited liability company, organized in 2014, and has a relying adviser, Tree Line Direct Lending GP, LLC (“Tree Line GP”). Tree Line is a direct lender that provides customized credit solutions to small and medium sized companies in North America. References to “Tree Line” throughout this Brochure refer to Tree Line together with its relying adviser, Tree Line GP unless the context otherwise requires. Tree Line, together with its relying adviser, conducts a single advisory business subject to a unified compliance program. The Funds, as defined below, constitute the only clients for whom Tree Line provides investment advisory services.

Tree Line Direct Lending Fund, LP (the “Fund”) and TLCS (collectively with the Fund, the “Funds”) primarily make debt investments in lower middle market businesses offering first lien, second lien, unitranche, mezzanine term loans and equity co-investments.

Ownership/Management

Tree Line ownership is as follows: Trident Tree Line Management, Inc. (“Trident Tree Line Management”) owns approximately 60%, Board of Regents of the University of Texas System (“UTS Board of Regents”) owns approximately 34% and the remaining 6% is owned by Enhanced Asset Management, LLC (“EAM”), a subsidiary of Enhanced Capital Group, LLC (“ECG”) and various individuals, including the founding members Thomas R. Quimby and Jonathon V. Schroeder. Trident Tree Line Management is indirectly owned by Trident V, L.P. and Trident V Parallel Fund, L.P. (the “Trident V Funds”), which are managed by Stone Point Capital, LLC (“Stone Point”), an SEC-registered investment adviser. Investments made by the UTS Board of Regents are managed by The University of Texas Management Company (“UTIMCO”). UTIMCO is a 501(c)(3) corporation that oversees investments for The University of Texas and Texas A&M Systems.

The members of the Board of Managers of Tree Line are: Messrs., Quimby and Schroeder, both founding members and the Managing Partners of Tree Line, Scott J. Bronner, Principal of Stone Point, James R. Matthews, Principal of Stone Point, Peter M. Mundheim, Principal and Counsel of Stone Point, Michael A.G. Korengold, President and CEO of ECG and ECP (as defined below) and Andrew M. Paul, an owner of ECG and ECP. UTIMCO has observation rights.

In addition to serving on the Board of Managers of Tree Line, Messrs. Quimby and Schroeder are members of the investment committee for the Funds. Mr. Quimby has 20 years of experience in finance with over 16 years of credit investing which has involved directly sourcing, underwriting and managing portfolios of senior secured loans. Mr. Schroeder has 18 years of experience in finance with over 15 years of credit investing which has involved directly sourcing, underwriting and managing portfolios of senior secured loans. Michael A.G. Korengold and Paul S. Kasper, both of ECG and ECP (as defined below), round out the investment committee.

Mr. Frank Cupido is a Partner of Tree Line and has 14 years of experience in finance with over 12 years of credit investing which has involved directly sourcing, underwriting and managing portfolios of senior secured loans.

Tree Line's firm-wide investment team consists of 12 full-time investment and corporate support professionals. Tree Line's headquarters and all books and records are located in San Francisco, California. Certain of Tree Line's back office services, including Tree Line's Controller and Chief Compliance Officer are located in New Orleans, Louisiana. Additional accounting, compliance and office administration functions, located in the same New Orleans office as the Controller and Chief Compliance Officer, are provided by Enhanced Capital Partners, LLC ("ECP"), a registered investment adviser and an affiliate of EAM and ECG, through an administrative supports contract.

Investment advice to the Funds is provided on a discretionary basis and is tailored to its individual needs and investment criteria, as set forth in the Funds' respective limited partnership agreements. TLCS invests in the same investments as the Fund pursuant to an allocation policy designed to fairly allocate investment opportunities among clients. As of December 31, 2017, Tree Line had \$457,319,267 of discretionary assets under management.

ITEM 5. FEES AND COMPENSATION

General Information Regarding Fees

Tree Line receives management fees in connection with the investment management it provides to the Funds, and may also receive carried interest allocations and other performance-based fees (see Item 6). Each Fund's fee structure is fully described in such Fund's governing document.

Management Fees

The Fund

The Fund pays Tree Line an annual management fee, payable quarterly in installments in advance, based on the fund's gross investment value or capital commitments, in accordance with the Fund's limited partnership agreement. The management fees paid by the Fund do not include custodial fees or certain accounting or legal fees associated with the maintenance of the Fund. There are no brokerage or mutual fund fees associated with the Fund. The management fee is deducted from the Fund's operating account.

TLCS

TLCS pays Tree Line an annual management fee, payable in quarterly installments in advance. Based on an investor's limited partnership interest class, the management fee paid is based on the fund's gross investment value or capital commitments. The management fees paid by TLCS do not include custodial fees or certain accounting or legal fees associated with the maintenance of TLCS. There are no brokerage or mutual fund fees associated with TLCS. The management fee is deducted from TLCS' operating account.

Expenses

Certain expenses are born by the Funds as stipulated in the Funds' limited partnership agreements. Such expenses may include, but not be limited to, legal, accounting, tax, consulting, research, due diligence, expenses incurred with respect to investment transactions not consummated (to the extent that such expenses are not reimbursed by the companies in which the Fund invests or proposes to invest), and custody. Current investors are referred to the Funds' limited partnership agreements for a complete description of all expenses that may be incurred by the Funds.

Tree Line pays all normal operating expenses such as compensation and benefits of Tree Line officers, directors and employees, rent, utilities, insurance (other than premiums for insurance covering indemnified parties), office supplies, office equipment and other normal operating expenses that relate to the operation of Tree Line.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**Performance-Related Compensation**

Tree Line is entitled to receive carried interest allocations from the Funds based on realized profits from fund investments. Generally, these carried interest allocations are subject to preferred return requirements and claw backs. Such performance related compensation is subject to hurdles and claw-backs. The limited partnership agreements of the Funds contain the method by which the performance related compensation is calculated. Carried interest fee arrangements may create an incentive for Tree Line to invest in riskier or more speculative instruments, although given that Messrs. Quimby, Schroder and Cupido also invested in the Fund, interests of the Funds and its manager are aligned, which substantially reduces this incentive.

ITEM 7. TYPES OF CLIENTS

Tree Line provides investment advisory services directly to the Funds, subject to the direction and control of a board of managers.

Investments in the Funds are only available to institutional investors and certain high net worth investors that are "accredited investors", "qualified clients", or "qualified purchasers" within the meaning of the U.S. Securities Act of 1933, as amended and the U.S. Investment Company Act of 1940, as amended, respectively, including, but not limited to pension funds, funds of funds, banks, corporate investors, high net worth individuals, private equity and venture capital firms, family offices and charitable endowment accounts.

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

Investment Strategies

Tree Line will seek the following favorable attributes when evaluating investment opportunities across a diverse set of industries:

- *Robust and Stable Free Cash Flows.* A prospective investment must demonstrate it is capable of supporting a leveraged capital structure through stable/growing revenues, strong profit margins and high free cash flow conversion. Industry growth prospects must also be favorable and limited in their exposure to rapidly changing regulatory dynamics or technological disruption.
- *Dedicated and Competent Management.* The prospect's management must have a track record of success and the appropriate incentives in place.
- *Market Potential.* Each prospect must exhibit a high degree of potential to achieve its forecasted sales volumes due to identifiable competitive advantages, defensible market position, proprietary product or service, technological superiority, history of product quality and service or other similar market advantages.
- *Rate of Return.* The investment must possess a high probability of achieving Tree Line's desired rate of return through a combination of current income and/or capital appreciation.

The Funds provide senior secured first lien term loans and to a lesser extent subordinated term loans to companies seeking capital for acquisitions, ownership transitions, business expansions, leveraged buyouts, recapitalizations and refinancings. The Funds generally target companies with revenue greater than \$10 million and EBITDA greater than \$2 million, with the following company and transaction characteristics:

Company Characteristics

The Funds take a diversified approach to portfolio construction and limit exposure to any particular sector. The Funds' investment professionals have significant financing experience in the business services, industrials, niche manufacturing, and consumer products sectors, which are expected to comprise a significant portion of the portfolio. The Funds invest in companies across the United States, with no emphasis on any specific geographic region.

The Funds seek companies with the following attributes: stable cash flows, strong management teams, adequately capitalized business plans with clearly defined growth strategies, defensible market positions, and sound reputations with customers, suppliers and employees.

Deal Characteristics

The Fund's investments are primarily structured as senior secured first lien loans and to a lesser extent subordinated loans. Loans are structured with three to seven year maturities, typically with amortization of principal and interest during the life of the loan and investments range in size from \$5 to \$35 million.

Risk of Loss

An investment in the Funds involves a significant degree of risk, relating both to the types of investments contemplated by the Funds and the Funds' ability to achieve its respective investment objectives. There can be no assurance that the Funds' investment objectives will be achieved or that an investor will receive any return of capital. An investor should have the ability to sustain the loss of its entire investment in the Funds. An investment in the Funds require a long-term commitment, with no certainty of return. Since the Funds may only make a limited number of investments, and since the Funds' investments generally will involve some degree of risk, poor performance by a few of the investments could affect the total returns to the investors. There can be no assurance that the Funds will be able to generate returns for the investors or that returns will be commensurate with the risks of the investments within the Funds' investment objectives.

ITEM 9. DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Tree Line or the integrity of Tree Line's management. None of Tree Line, its relying adviser or its collective management has been subject to any legal or disciplinary events required to be discussed in this Brochure.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**Other Business Activities**

Tree Line does not engage in any other business activity other than the investment advisory services provided to the Funds.

Financial Affiliations*Stone Point*

As discussed in Item 4 of this Brochure, Trident Tree Line Management owns a controlling interest in Tree Line, and the Trident V Funds, which are managed by Stone Point, own controlling interests in Trident Tree Line Management. Stone Point manages private equity funds, including the Trident V Funds, which invest in companies operating in the financial services industry. The management of Tree Line believes that the indirect relationships that Tree Line may have with the portfolio companies of the Trident V Funds (or with the portfolio companies of other private equity funds managed by Stone Point) through their indirect relationship with Stone Point (1) are not material to the business of Tree Line and (2) will not cause a conflict of interest with Tree Line's activities on behalf of the Funds.

Enhanced Capital Partners, LLC

Tree Line is affiliated with ECP, ECG and its other relying advisers, (collectively, “Enhanced”). Enhanced manages certain private investment funds, detail of which can be found in Schedule D, Section 7.B.1 of Enhanced’s ADV Part 1. Tree Line and Enhanced are affiliated as follows: (i) Enhanced provides certain back office services for Tree Line including some accounting, compliance and office administration functions through an administrative agreement, (ii) Enhanced and Tree Line are indirectly under common control of Stone Point as disclosed in response to Item 10.A of ADV Part 1, (iii) two employees of Enhanced, Messrs. Korengold and Paul serve on the Board of Managers of ECP and ECG and also serve on the Board of Managers of Tree Line, (iv) Messrs. Korengold and Kasper, who is also an employee of Enhanced, serve on the Investment Committee of Tree Line, while also serving on various investment committees of Enhanced, (v) five employees of Tree Line work out of Enhanced’s offices, three in Enhanced’s New Orleans office and two in Enhanced’s New York office and (vi) certain Enhanced principals own interests in Tree Line (less than 6% combined). Both Enhanced and Tree Line have adopted policies to manage potential conflicts of interest arising from their overlapping ownership and other relationships, including policies addressing allocation of investment opportunities and co-investment opportunities that seek to ensure that investment opportunities are allocated fairly, as applicable.

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

Tree Line is subject to a Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Advisers Act. Tree Line has adopted a Code of Ethics which sets forth appropriate ethical standards of business conduct that Tree Line requires of its employees, including compliance with its fiduciary duty and applicable federal and state securities laws. The Code sets out standards of business and personal conduct for each employee and addresses conflicts that arise from personal trading by such persons and provides for disciplinary sanctions for Code violations. The Code is reviewed and revised, if needed, on an annual basis.

The policies and procedures set forth in the Code recognize that as an investment adviser, Tree Line is in a position of trust and confidence with respect to its clients and has a duty to place the interests of its clients before the interests of Tree Line and its employees, which duty includes an obligation to address or mitigate both conflicts of interest and the appearance of any conflicts of interest. The Code sets out standards of business and personal conduct for each employee and addresses conflicts that arise from personal trading by such persons and provides for disciplinary sanctions for Code violations. The Code also recognizes that as an investment adviser registered under the Advisers Act, Tree Line has a further obligation to comply with the provisions of the Advisers Act as well as the other U.S. federal securities laws.

The Code requires employees to (1) act with integrity, honesty, competence, and in an ethical manner when dealing with the public, regulators, clients, investors, prospective investors and their fellow employees, (2) adhere to the highest standards with respect to any potential material conflicts of interest with clients, and (3) preserve the confidentiality of information that they

may obtain in the course of Tree Line's business and use such information properly and not in any way adverse to the interests of clients, subject to the legality of using such information.

As a general practice, if the Funds and a related person of Tree Line is seeking to invest in the same issuer at the same time, an investment of a related person will only be allowed if disclosures concerning any conflict of interest is made, in advance, to the Chief Compliance Officer and the investments of the related person are executed after, or simultaneously with the Funds' transactions.

Additionally, Tree Line has adopted inside information barrier policies and procedures to provide for the proper handling of confidential information (i.e., nonpublic information received or created by Tree Line in connection with its activities) to prevent violations of laws and regulations prohibiting the misuse of such information and to avoid situations that might create an appearance of such misuse.

Under the Code, employees are prohibited from trading in securities of any company while in possession of material, non-public information regarding the company. Therefore, employees of Tree Line are required to disclose all brokerage or securities accounts, unless otherwise exempted from reporting in accordance with the Act, in the individual's name or over which the employee has any direct or indirect beneficial ownership, including accounts over which investment discretion is exercised either directly or indirectly.

The Code restricts employees' ability to conduct activities outside the firm that may conflict with the interests of clients, requires preapproval for gifts and entertainment in excess of certain values that may be received and/or provided by employees, and provides for the imposition of sanctions for Code violations.

A copy of Tree Line's Code of Ethics is available to our investors upon written request to the Chief Compliance Officer.

ITEM 12. BROKERAGE PRACTICES

Tree Line does not currently effect transactions in securities through broker-dealers. Tree Line does not receive compensation, soft dollars, research or any remuneration from any broker-dealer.

ITEM 13. REVIEW OF ACCOUNTS

Tree Line follows a disciplined investment process. The process consists of six distinct phases: (1) qualification of the Funds' investment parameters for deals sourced, (2) initial screen, (3) management presentation, (4) validation of the business, (5) formal due diligence and legal documentation, and (6) final investment committee presentation and approval. Throughout its process, Tree Line is committed to a disciplined, thorough evaluation of every qualified investment.

The investment professionals meet weekly to review potential transactions and to discuss recent portfolio performance, and after preliminary investment committee approval, Tree Line begins

advanced due diligence, with any red flags discussed with the members of the investment committee through the process. Tree Line's diligence focuses on five key areas: (1) Industry / Marketplace, (2) Unit Economics, (3) Financial Model, (4) Management Assessment, and (5) Confirmatory Legal Diligence. Tree Line, when needed, uses third party accounting, environmental, industry consultants, research analyst and background check firms, to help in the due diligence process.

Reports

Portfolio investments are monitored closely by the investment professionals assigned to such fund, as well as members of Tree Line's fund administration team. Portfolio investments are reviewed and monitored with respect to historic and anticipated performance, market developments and compliance with the investment mandate of the Funds on an ongoing basis, both informally and formally through scheduled weekly meetings attended by the investment professionals.

The nature and frequency of regular reports to investors in the Funds depends on the terms of the governing documents of the Funds. Investors in the Funds are requested to refer to the Funds' limited partnership agreement, as well as applicable statute or regulations, regarding reports they are to receive.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Tree Line has not engaged placement agents as of the date of this Brochure.

ITEM 15. CUSTODY

Tree Line is deemed to have custody of the assets of the Funds, and the SEC's custody rule sets forth certain requirements for the safekeeping of client assets. Pursuant to the rule, Tree Line has an independent accounting firm that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB"), and the audited financial statements are distributed to each investor in the Funds (or their independent representative) within 120 days of the fiscal year end of each of the Funds. Fund assets are maintained with a qualified custodian.

ITEM 16. INVESTMENT DISCRETION

Tree Line has discretionary authority with the Funds to buy and sell securities or other investments on behalf of the Funds and to determine the amount of such investments to be bought and sold, subject to such restrictions as may be specified in the limited partnership agreement. The terms upon which Tree Line serves as investment manager of the Funds were established at the time of closing of such Fund.

ITEM 17. VOTING CLIENT SECURITIES

Generally, Tree Line's investments are in private companies and not publicly traded securities. In certain circumstances, however, if a private security becomes publicly registered, Tree Line may

be authorized with proxy voting responsibility. Accordingly, Tree Line has adopted Proxy Voting Policies and Procedures. Tree Line's proxy voting policy is to vote proxies in the best interest of the Fund and its investors. Consideration is given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. If a conflict arises, the board is required to approve the proxy vote.

An investor in the Funds may obtain a copy of Tree Line's proxy voting policies and procedures and information on how Tree Line voted proxies on behalf of such party on written request to Tree Line's Chief Compliance Officer.

ITEM 18. FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Tree Line's financial condition under certain circumstances. Tree Line has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors, and has not been the subject of a bankruptcy proceeding.