

**Tree Line Capital Partners  
Form ADV – Part 2A  
March 2023**



## ITEM 1 – COVER LETTER

### Part 2A of Form ADV Brochure

**March 2023**

This Part 2A of Form ADV Brochure, dated as of March 2023 (this “Brochure”) provides information about the qualifications and business practices of Tree Line Capital Partners, LLC (referred to as the “Registrant”, together with its Relying Advisers (as defined in *Item 4 Advisory Business*), “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](http://www.adviserinfo.sec.gov) .

This Brochure is not intended for distribution to, or use by, any party other than its Clients (as defined in *Item 4 Advisory Business*).

## ITEM 2. MATERIAL CHANGES

The purpose of this section is to provide details of material changes since Registrant's last Part 2A of Form ADV Brochure, dated March 2022. 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.

The following material changes have been made to this Brochure:

In 2022 Tree Line closed a new fund, PPC-TL Senior Secondary Loans, LP ("PPC-TL"). In connection with PPC-TL, Tree Line has added an additional relying adviser, PPC-TL Senior Secondary Loans GP, LLC (the "PPC-TL GP"), the general partner of PPC-TL.

This Brochure may be requested by contacting Nicole Fiorenza Antoon, Chief Compliance Officer, at [nantoon@treelinecp.com](mailto:nantoon@treelinecp.com). Additional information about Tree Line, including a copy of this Brochure, is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **ITEM 3. TABLE OF CONTENTS**

<b>ITEM 1.</b>	<b>Cover Letter .....</b>	<b>1</b>
<b>ITEM 2.</b>	<b>Material Changes .....</b>	<b>2</b>
<b>ITEM 3.</b>	<b>Table of Contents .....</b>	<b>3</b>
<b>ITEM 4.</b>	<b>Advisory Business .....</b>	<b>4</b>
<b>ITEM 5.</b>	<b>Fees and Compensation.....</b>	<b>7</b>
<b>ITEM 6.</b>	<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>10</b>
<b>ITEM 7.</b>	<b>Types of Clients .....</b>	<b>11</b>
<b>ITEM 8.</b>	<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>12</b>
<b>ITEM 9.</b>	<b>Disciplinary Information.....</b>	<b>18</b>
<b>ITEM 10.</b>	<b>Other Financial Industry Activities and Affiliations.....</b>	<b>19</b>
<b>ITEM 11.</b>	<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>22</b>
<b>ITEM 12.</b>	<b>Brokerage Practices .....</b>	<b>24</b>
<b>ITEM 13.</b>	<b>Review of Accounts .....</b>	<b>25</b>
<b>ITEM 14.</b>	<b>Client Referrals and Other Compensation.....</b>	<b>26</b>
<b>ITEM 15.</b>	<b>Custody .....</b>	<b>27</b>
<b>ITEM 16.</b>	<b>Investment Discretion .....</b>	<b>28</b>
<b>ITEM 17.</b>	<b>Voting Client Securities .....</b>	<b>29</b>
<b>ITEM 18.</b>	<b>Financial Information.....</b>	<b>30</b>

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

Registrant is a private credit asset management firm focused on direct lending to the lower middle-market. The firm provides first lien term loans, unitranche term loans and equity co-investments to predominantly lower middle-market companies in North America with between \$3M-\$30M of EBITDA and in transactions generally between \$5M-\$150M.

Registrant is a Delaware limited liability company, organized in 2014, and as detailed in Schedule R of Registrant's ADV Part 1, has relying advisers including Tree Line Direct Lending GP, LLC ("TLDL GP"), Tree Line Direct Lending II GP, LLC ("TLDL II GP"), Tree Line Direct Lending III GP, LLC ("TLDL III GP"), TLDL(SC) GP, LLC ("TLDL(SC) GP"), Enhanced SBIC II GP, LLC ("SBIC GP"), and PPC-TL GP (all of the foregoing collectively shall be referred to as the "Relying Advisers"). As stated in the Cover Letter hereto, references to "Tree Line" throughout this Brochure shall refer to Tree Line together with its Relying Advisers, unless the context otherwise requires. Tree Line, together with its Relying Advisers, conduct a single advisory business subject to a unified compliance program.

Tree Line Direct Lending, LP ("TLDL"), Tree Line Credit Strategies, LP ("TLCS"), Tree Line Direct Lending II, LP ("TLDL II"), TLDL(SC), LP ("TLDL(SC)"), Enhanced SBIC Fund II, LP ("SBIC"), Tree Line Direct Lending III, LP ("TLDL III"), and PPC-TL shall collectively be referred to as the "Funds." The Funds along with the separately managed accounts (collectively, the "SMAs") it advises constitute the only clients for whom Tree Line provides investment advisory services as of the date of this Brochure (the Funds, together with the SMA's, the "Clients").

**Ownership*****Registrant:***

≈ 51%	Trident Tree Line Management, Inc. (“ <u>Trident TL Management</u> ”)	Trident TL Management is indirectly owned by Trident V, L.P. and Trident V Parallel Fund, L.P. (the “ <u>Trident V Funds</u> ”), which are managed by Stone Point Capital, LLC (“ <u>Stone Point</u> ”), an SEC-registered investment adviser.
≈ 26%	University of Texas System (“ <u>UTS</u> ”)	Investments made by UTS are managed by The University of Texas Management Company (“ <u>UTIMCO</u> ”). UTIMCO is a 501(c)(3) corporation that oversees investments for The University of Texas and Texas A&M Systems.
≈ 23%	Various management members/employees, including Tom Quimby and Jon Schroeder (no one person owns more than 10%)	Messrs. Quimby and Schroeder are founding members and Managing Partners of Registrant.

***Relying Advisers:******TLDL GP:***

≈ 35%	Trident TL Management
≈ 20%	UTS
≈ 45%	Messrs. Quimby and Schroeder, certain employees of Registrant and various other individuals and/or entities (none owning more than 10%)

***TLDL II GP:***

≈ 20%	Trident TL Management
≈ 12%	UTS
≈ 18%	Tom Quimby
≈ 18%	Jon Schroeder
≈ 32%	Certain employees of Registrant, other individuals and/or entities (none owning more than 10%)

***TLDL(SC) GP:***

100%	TLDL GP
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***SBIC GP:***

≈ 16%	Trident TL Management
≈ 13%	Tom Quimby
≈ 13%	Jon Schroeder
≈ 13%	Michael Korengold
≈ 13%	Paul Kasper
≈ 11%	Enhanced SBIC II Employee Pool, LLC
≈ 21%	UTS, certain employees of Registrant, and other individuals and/or entities (none owning more than 10%)

***TLDL III GP:***

≈ 20%	Trident TL Management
≈ 12%	UTS
≈ 20%	Tom Quimby
≈ 20%	Jon Schroeder
≈ 30%	Certain employees of Registrant and other individuals and/or entities (none owning more than 10%)

***PPC-TL GP:***

100%	Registrant
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**Management and Operations**

Tom Quimby, Jon Schroeder, Scott Bronner, and Jim Matthews (both Messrs. Bronner and Matthews are principals of Stone Point) are members of the Board of Managers of each of Registrant, TLDL GP, TLDL II GP, and TLDL III GP. Additionally, UTIMCO has board observation rights. Messrs. Quimby and Schroeder are the Managing Partners of Registrant and Management Members of the aforementioned general partner entities and run the day-to-day operations of Tree Line. Tom Quimby, Jon Schroeder, Michael Korengold and Paul Kasper are the Managers of SBIC GP.

As discussed in *Item 10 Other Financial Industry Activities and Affiliations*, as an independent contractor, Mr. Kasper, Chief Executive Officer of Enhanced PK Services, LLC, an SEC-registered investment adviser (“EPKS”), provides investment advisory and consulting services to Tree Line. Mr. Kasper serves on the investment committee of TLDL, TLCS, TLDL II, and one of the SMAs. As mentioned above Mr. Kasper is also a Manager of SBIC GP and as such provides portfolio management services and is on the investment committee of the SBIC.

Tree Line’s firm-wide team consists of 23 investment and corporate support professionals. Tree Line’s headquarters and all books and records are located in San Francisco, California.

Additionally, Tree Line has investment personnel located in New York, New York and back-office and investment personnel located in Austin, Texas.

Investment advice to the Clients is provided on a discretionary basis and is managed in accordance with the terms, conditions, objectives, investment strategies, guidelines, and limitations of the governing documentation of the Clients. In general, Tree Line does not tailor its asset management strategy to the individual requests of the Clients, though allocations of investment opportunities to the Clients may vary pursuant to an allocation policy designed to fairly allocate investment opportunities among the Clients. As of December 31, 2022, Tree Line had \$2,152,185,785 of regulatory assets under management.

Tree Line has entered into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing, the terms of the relevant Fund's limited partnership agreement with respect to such investors. Subject to Tree Line's allocation policy and the governing documents of the relevant Clients, Tree Line Clients typically co-invest in a particular investment. Additionally, from time to time and as permitted by the relevant Client's governing documents, Tree Line may provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including persons that may be associated with Tree Line and/or its affiliates (e.g., a vehicle formed to co-invest alongside a particular Fund's transactions). Such co-investments, if occurring, would typically involve investment and disposal of investments in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. There may be instances, however, such as in the event a portfolio company requires emergency or rescue capital, where co-investments may be made or disposed of at different times, or made on terms that differ, as among the various Tree Line-affiliate entities.

As also described in *Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Principal Transactions and Transactions Between Clients*, Tree Line may, at times, cause a Client to buy an investment from, or sell an investment to, another Client. Tree Line may elect to cause these transfers for a variety of reasons, including for tax or regulatory reasons, because one or more Clients are unable to access the capital required to make an investment on the necessary timeframe (in which case another Client with adequate available capital may acquire the investment and hold it until the other Client has the requisite capital available) or because Tree Line determines that the allocation of an investment should be adjusted as between the relevant Clients. Any such transfers will be made at cost plus the interest accrued on the relevant investment during the relevant hold period, or such other price determined by Tree Line to reflect the fair market value of the investment at the time of transfer, or on such other terms as Tree Line determines to be fair and equitable to the relevant Clients.

## **ITEM 5. FEES AND COMPENSATION**

### **General Information Regarding Fees and Expenses**

Tree Line receives management fees in connection with the investment management it provides to its Clients and may also receive carried interest allocations and other performance-based fees, as detailed in *Item 6 Performance-Based Fees and Side-by-Side Management*. Each Client's fee



structure is fully described in such Client's governing document. 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.

## **Management Fees**

### ***Separately Managed Accounts***

The SMAs pay Tree Line an annual management fee, payable quarterly in arrears, and is based on each account's net asset value, respectively. The specifics of the management fee were negotiated prior to the execution of the SMAs' investment advisory agreements. Tree Line invoices the SMAs for management fees due, which are wired into an account held in Registrant's name. The management fees paid by the SMAs do not include custodial fees or certain accounting or legal fees associated with the maintenance of the account. There are no brokerage or mutual fund fees associated with the SMAs.

### ***The Funds (excluding the SBIC Fund)***

The Funds pay Tree Line an annual management fee, payable quarterly either in arrears or in advance depending a Fund's governing documentation and is based on the gross asset value of the respective Fund's investments. The specifics of the management fee were negotiated prior to the execution of each Fund's limited partnership agreement. In accordance with and as detailed in each Fund's limited partnership agreement, management fees are deducted directly from such Fund's operating account. The management fees paid by the Funds do not include custodial fees or certain accounting or legal fees associated with the maintenance of any Fund. There are no brokerage or mutual fund fees associated with the Funds.

### ***SBIC Fund***

The SBIC Fund pays Tree Line an annual management fee, payable in quarterly installments in advance, equal to a percentage of the sum of the (1) the SBIC Fund's unfunded and funded capital commitments plus distributions made pursuant to the SBIC Law, as detailed in the SBIC Fund's limited partnership agreement and (2) the SBIC Fund's drawn SBA leverage (i.e., the total amount of outstanding securities issued by the SBIC Fund that qualifies as leverage and has not been redeemed or repaid as provided in the SBIC Law). The management fees paid by the SBIC Fund do not include custodial fees or certain accounting or legal fees associated with the maintenance of the SBIC Fund. There are no brokerage or mutual fund fees associated with the SBIC Fund. In accordance with and as detailed in the SBIC Fund's limited partnership agreement, management fees are deducted directly from its operating account.

Pursuant to the SBIC Law, the SBIC Fund can be leveraged up to 2:1 and pays financing fees in connection with incurring leverage through the SBA. The SBA financing fees include a nonrefundable "commitment reservation fee," equal to 1% of the face amount of leverage commitment reserved by the SBA for issuance by the SBIC. The SBA financing fees also include

draw fees calculated as 2.435% of the face amount of each leverage takedown request. As of December 31, 2022, the SBIC Fund paid a commitment reservation fee of \$1,540,400 and draw fees of approximately \$2,744,000.

### **Expenses**

Certain expenses are born by the Funds, including, 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 portfolio companies in which the Fund invests or proposes to invest), and custody. Only vouched third party expenses and certain travel expenses associated with transactions eligible for investment by the SMAs are reimbursed by the SMAs, which such amount is capped on an annual basis. Expenses borne by a Fund or the SMAs are allocated to such Fund or SMA, on a pro rata basis, as applicable. With respect to co-investments involving the SMAs, Registrant will bear the SMA's pro rata cost of any expense allowed pursuant to a Fund's limited partnership agreement that is not allowed by the SMAs' investment advisory agreement. No Fund in a co-investment with an SMA will bear the expenses prohibited by an SMA investment advisory agreement. Investors are referred to their respective limited partnership agreement or investment advisory agreement for a complete description of all expenses that may be incurred.

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

The Relying Advisers are entitled to receive carried interest allocations from the Funds based on realized profits from investments made by the Clients. Such performance related compensation is subject to hurdles and claw-backs. The limited partnership agreements of the Funds and the SMAs' investment advisory agreements contain the method by which the performance-related compensation is calculated. Carried interest or performance-based fee arrangements may create an incentive for Tree Line to invest in riskier or more speculative instruments, however, because some of the Registrant's investment personnel invested in one or more of the Funds, the interests of those personnel and the Funds are aligned, which sustainably reduces this incentive. Additionally, the existence of claw back provisions is designed to substantially reduce any such incentive.

**Investments by Related Parties**

Certain Clients and/or members, partners, employees, or affiliates of Tree Line may have a previous investment in a prospective portfolio company of another Client. The Client considering an investment in such portfolio company however will only be allowed to invest in such portfolio company if it is approved by the Client's advisory board (or equivalent) and, in the case of the SBIC Fund, approved by the SBA if required by SBIC Law. There also may be instances where an affiliate of Tree Line invests in a portfolio company in which certain Clients and/or members, partners, employees, or affiliates of Tree Line may have a previous investment. In such instances, the affiliate of Tree Line providing the additional capital may in connection with its investment receive securities with priority or preference over the securities held by such Clients and/or members, partners, employees, or affiliates of Tree Line previously invested in such portfolio company. In such instances, the approval of the previously invested Clients' advisory board (or equivalent) will be required for such investment and, in the case of the SBIC Fund, approval by the SBA, if required by SBIC Law.

**ITEM 7. TYPES OF CLIENTS**

Tree Line provides investment advisory services directly to the Clients, subject to the direction and control of a board of managers or general partner of a Fund.

Investments in the Clients are only available to institutional investors and certain high net worth investors that are “accredited investors” (as defined in Rule 501 of Regulation D promulgated under the U.S. Securities Act of 1933, as amended) and “qualified purchasers” within the meaning of the U.S. Investment Company Act of 1940, as amended, 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. As of the date of this Brochure, TLDL, TLDL(SC), TLDL II, and the SBIC are closed to new investor commitments.

**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.

In addition, Tree Line has adopted an environmental, social and governance ("ESG") & Impact Policy that is integrated throughout Tree Line's corporate culture and investment processes. Tree Line is a signatory to the United Nations Principles for Responsible Investment and believes that its unique access to the lower middle market creates an opportunity to drive a positive impact and deliver growth capital to underserved markets. Tree Line has made corporate capital and volunteerism commitments to environmental and social causes, as discussed in greater detail at Tree Line's website. In its investment processes, Tree Line seeks to:

- maintain an active dialogue with stakeholders to incorporate relevant ESG risk factors into the investment process;
- avoid investing in companies whose products or services cause negative impacts on the environment or society; and
- promote positive environmental and social practices through direct engagement with portfolio companies that operate sustainably, maintain diversity, or promote other positive ESG best practices.

Tree Line screens every investment for the following positive and negative ESG factors, with an emphasis on materiality and any commitments in place to improve current operations and practices:

	<u>Positive</u>	<u>Negative</u>
<u>Environmental Factors</u>	<ul style="list-style-type: none"> <li>• Residential/Commercial Energy Efficiency</li> <li>• Automobile Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Fossil Fuel Extraction, Refining, and Distribution</li> <li>• Metals and Mining</li> </ul>

	<u>Positive</u>	<u>Negative</u>
	<ul style="list-style-type: none"> <li>• Combined Heat and Power</li> <li>• Green Technology</li> <li>• Renewable Energy/Recycling Raw Materials</li> <li>• Energy Conversion Systems</li> <li>• Smart Grid</li> </ul>	<ul style="list-style-type: none"> <li>• Thermal Coal Power Generation and Related</li> <li>• High Potential Soil, Air, or Water Contamination</li> <li>• Non-Renewable Resource Consumption</li> <li>• Operators with Significant GHG Emissions</li> </ul>
<u>Social Factors</u>	<ul style="list-style-type: none"> <li>• Low Income Community Development</li> <li>• Women, Minority, and Veteran Owned Businesses</li> <li>• Veteran Recruitment and Hiring</li> <li>• Minority Leadership Programs</li> <li>• Responsible Sourcing Practices</li> <li>• Employee Health and Wellness Programs</li> </ul>	<ul style="list-style-type: none"> <li>• Weapons Manufacturing</li> <li>• Pornography and Adult Entertainment</li> <li>• Gambling</li> <li>• Tobacco Products</li> <li>• Illicit Drugs</li> <li>• Nuclear Energy</li> <li>• Predatory Consumer Finance (Payday Lending)</li> </ul>
<u>Governance Factors</u>	<ul style="list-style-type: none"> <li>• Truly Independent Board Members</li> <li>• Gender and Racial Diversity in Board and Executive Management Makeup</li> <li>• Data and Cyber Security Preparedness</li> <li>• Executive to Employee Compensation Ratio</li> <li>• Gender and Minority Compensation Equality (Equal Pay for Equal Work)</li> </ul>	<ul style="list-style-type: none"> <li>• Limited Transparency and Accountability (Minutes and Management)</li> <li>• Lack of Independent Committees (Audit/Comp)</li> <li>• Weak Financial Reporting / Absence of Reputable Third-Party Auditor</li> <li>• Absence of Worker Safety Programs</li> <li>• Limited Compliance and/or HR Resources</li> <li>• Lack of Resources and Training Related to Anti-Discrimination, Sexual Harassment, Employee Rights and Compliance</li> </ul>

Certain investments require additional ESG diligence and Tree Line's Investment and Risk Management Committees are responsible for the evaluation of such companies. Tree Line measures changes in ESG risk and performance over the course of an investment to guide

investment decision making and provides an annual update on all ESG activities that is available on Tree Line's website.

The Clients provide primarily senior secured first lien and unitranche term loans to companies seeking capital for acquisitions, ownership transitions, business expansions, leveraged buyouts, recapitalizations and refinancings. The Clients generally target companies with revenue greater than \$10 million and an EBITDA between \$3M - \$30M, with the following company and transaction characteristics:

### **Company Characteristics**

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

The Clients 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 Clients' investments are primarily structured as senior secured first lien and unitranche term loans. Loans are structured generally with three to seven-year maturities with a five-year maturity being the most common. The Loans typically have amortization of principal and interest during the life of the loan and investments generally range in size from \$5 to \$150 million.

### **Risk of Loss**

#### ***Generally***

An investment in the Clients involves a significant degree of risk, relating both to the types of investments contemplated by the Clients and the Clients' ability to achieve its respective investment objectives. There can be no assurance that the Clients' 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 Clients. An investment in the Clients require a long-term commitment, with no certainty of return. Since the Clients may only make a limited number of investments, and since the Clients' 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 Clients will be able to generate returns for the investors or that returns will be commensurate with the risks of the investments within the Clients' investment objectives.

***Custody Risk***

Under the Advisers Act, Tree Line is required to maintain certain Client assets at a qualified custodian. Because of a qualified custodian's or sub-custodian's insolvency, negligence, fraud, poor administration or inadequate recordkeeping, a Client could incur a loss on securities and funds held in custody. Tree Line's operations also could be impacted by a bank's insolvency in that there may be a delay in trade settlement, delivery of securities, etc.

***Bank-Related Risk***

Deposits maintained at an FDIC-insured bank are covered up to \$250,000 per depositor, per insured bank, for each account ownership category, in the event of a bank failure. Clients using a single bank could potentially lose any deposits over \$250,000 in cash in the event the bank fails.

***Uncertainty in the U.S. and Global Financial Markets***

The recent banking crisis in the United States has the possibility of extraordinary and unprecedented uncertainty and instability in the global financial markets. There can be no assurances that conditions in the global financial markets will not adversely affect one or more of a Client's portfolio companies or other investments. In addition, valuation of companies may experience significant price declines, volatility, and liquidity concerns as a result of short- and long-term financing to continue operations at normal levels.

***Counterparty Risk***

Tree Line and/or its Clients may be subject to credit risk with respect to the counterparties to instruments entered into directly by Tree Line or held by Clients' portfolio investments. Tree Line will also be subject to the risk that a counterparty may become unwilling or unable to meet its obligations prior to settlement. Tree Line may also be exposed to the credit risk of counterparties through a wide range of activities that occur in the normal course of its activities, including through service providers, banks, brokers, insurance providers, trading counterparties, co-investors, portfolio companies, prospective portfolio companies, or other entities that Tree Line and/or its Clients may have financial exposure to. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a contract due to financial difficulties, a Client may experience significant delays in obtaining any recovery under the contract in a bankruptcy or other reorganization proceeding. Tree Line may obtain only a limited recovery or may obtain no recovery in such circumstances.

***Business Disruption; Uncertainty of Valuations***

The business of each Client is vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes and telecommunication failures.



- The global pandemic caused by the novel coronavirus 19 and its variants (“COVID-19”) has created significant economic and social disruption, including supply chain and labor disruptions, and has had a particularly adverse impact on transportation, hospitality, tourism, and entertainment, among other industries. The potential impacts of the COVID-19 pandemic, including global, regional, or other economic recession, remain uncertain and difficult to assess. Each Client’s investments could be adversely affected by a slowdown in economic activity, as portfolio companies may face liquidity issues and an inability to service the obligations under their indebtedness. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the COVID-19 pandemic. The extent to which the pandemic impacts any Client’s results will depend on future developments, which are still uncertain and cannot be predicted. Future developments may include new information concerning the long-term severity of COVID-19; the duration of the pandemic in the United States and globally; the actions taken to contain COVID-19 or treat its impact; its impact on portfolio companies and their businesses; and governmental, regulatory, and private sector responses to the pandemic. Each Client’s financial condition and results of operations could be adversely affected, including the Client’s ability to collect debt service payments when due from portfolio company borrowers and to make distributions to investors. In addition, the operations of each Client may be significantly impacted, or even halted, either temporarily or on a long-term basis, as a result of government quarantine and curfew measures, voluntary and precautionary restrictions on work, travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity’s personnel.
- Following Russia’s invasion of the Ukraine in February 2022, the United States, the European Union and its member states, and other countries and corporations announced and implemented major sanctions against Russia. Russia could be subject to wider sanctions and could take other actions as the conflict continues. The long-term impact of war in Ukraine, sanctions, and any retaliatory measures by Russia, are impossible to know and could cause significant turmoil in global economies and the global markets, including U.S. and global credit markets, and could cause market illiquidity, further disrupt supply chains, increase the risk of inflation, limit the ability of a Client to invest in certain companies, and/or otherwise negatively impact the operations of portfolio companies, which could in turn have a material adverse impact on a Client’s performance.
- In addition, the price at which interests in TLCS are issued and redeemed is based on TLCS’s net asset value, which is determined by TLDL GP in accordance with the terms of TLCS’s limited partnership agreement and is calculated based on the fair market value of TLCS’s assets, as determined in accordance with its valuation policy and accounting practices. Tree Line engages a third-party valuation expert to assist in the periodic valuation of TLCS’s assets. While Tree Line is confident that the determinations of fair market value of TLCS’s assets as of the date of this Brochure, the pandemic, the current banking environment, and the fallout of the Russian invasion of Ukraine and the resulting short term and long-term economic impact resulting thereof, may impact the value of the Fund’s assets or make it difficult for TLDL GP to value TLCS’s assets. Accordingly, there can be no assurance that TLCS’s net asset value, as calculated based on such valuations, will be accurate on any given date. If, at any time, TLCS’s net asset value is lower than the true value of TLCS’s portfolio, those investors that redeem all or some of their interests in TLCS at such time will be underpaid

and those investors that retain their interests will be adversely affected if more interests are issued than redeemed at the low price. Conversely, if TLCS's net asset value is higher than the true value of TLCS's portfolio, investors that purchase interests at such time will overpay, and if redemptions of interests based on a high net asset value were to exceed purchases of interests at that value, those investors that do not redeem interests will be adversely affected.

**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 Registrant, its Relying Advisers, or its collective management has been subject to any legal or disciplinary events required to be discussed in this Brochure.

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**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 Clients.

**Financial Affiliations/Associations*****Stone Point***

As set forth in the Ownership section of ***Item 4 Advisory Business*** of this Brochure, Trident TL Management owns interests in Registrant and its Relying Advisers. Additionally, Trident Tree Line Direct Lending LP, Inc. ("Trident TLDL") is an investor in both TLDL and TLDL II. Trident TLDL and Trident TL Management are indirectly owned by the Trident V Funds which is managed by Stone Point. Additionally, as noted in the Management section of ***Item 4 Advisory Business*** of this Brochure, two principals of Stone Point are on the Board of Managers of the Registrant and the Relying Advisers, with the exception of SBIC GP.

***Receipt of Information of Registrant and Relying Advisers***

As a result of the foregoing ownership and board positions, Stone Point may receive information regarding the financial position of Tree Line that the SMAs or other investors in the Funds would not otherwise receive.

***Conflicts of Interest***

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 Clients.

***Tree Line Capital Markets, LLC***

Tree Line Capital Markets, LLC ("TLCM"), a wholly owned affiliated of Tree Line, became a registered broker-dealer pursuant to Section 15(b) of the Securities Exchange Act of 1934, effective as of September 13, 2022. TLCM's license to operate as a broker-dealer is narrowly limited to the syndication of loans to private companies. TLCM's activities are generally limited to acting as the arranger of debt investments for deals with respect to which Tree Line has determined that it is desirable for one or more Clients to participate in a portion of, but not all of, the available investment opportunity. Under such circumstances, TLCM arranges with third parties to syndicate the investment in the full opportunity. TLCM is compensated for its services which is based on the amount the third-party invested through each syndicate.

TLCM shares office space with Tree Line at Tree Line's headquarters in San Francisco. All business operations of TLCM are walled off from Tree Line. TLCM and persons working for TLCM have a separate email, a separate email archiving system, and separate compliance and accounting personnel through a third-party provider, DFP Partners ("DFP"). DFP does not provide any services to Tree Line. TLCM shares two employees with Tree Line, Mr. Frank Cupido, the Chief Executive Officer of TLCM and a partner with Tree Line, and Mr. Daniel Westra, an analyst with both TLCM and Tree Line.

### *Conflicts of Interest*

TLCM has an incentive to arrange for deals that generate the highest compensation, which presents a conflict of interest. This potential is mitigated, however, because: TLCM is only compensated with respect to third-party syndicated investments, not with respect to Client investments; the Registrant has policies and procedures in place designed to ensure that all Client investment decisions are in Client best interests; and the supervised persons of TLCM and are also supervised persons of the Registrant, subject to its Code of Ethics and other policies and procedures. In addition, Tree Line's CCO, Ms. Nicole Antoon, receives and reviews materials regarding TLCM's private loan syndicates to monitor for potential conflicts of interest, including with respect to the investment terms made available to Clients through TLCM or if any fees are due to Clients pursuant to their governing documents.

### *Enhanced Capital*

Tree Line is associated with Enhanced Capital Partners, LLC ("ECP") and Enhanced Capital Group, LLC ("ECG", and together with ECP, "Enhanced") as follows: (i) ECG, through its subsidiary Enhanced Asset Management, LLC owns minority membership interests in TLDL GP and TLDL II GP, as detailed in the ownership section of **Item 4 Advisory Business** of this Brochure, (ii) as also noted in **Item 4 Advisory Business** of this Brochure, Mr. Korengold, the President and CEO of Enhanced, in his personal capacity serves as a Manager of SBIC II GP, and (iii) under a shared services agreement, Enhanced provides services to Tree Line, through Mr. Kasper, an independent contractor of Enhanced and the Chief Executive Officer of EPKS, who serves on the investment committees and provides portfolio management services to certain Clients as detailed in **Item 4 Advisory Business** of this Brochure.

### *Conflicts of Interest*

In addition to the fact that Enhanced's involvement with and ownership in Tree Line are minimal, Tree Line believes that Enhanced's and Tree Line's current lines of business are differentiated enough, that they will not cause a conflict of interest with Tree Line's activities on behalf of its Clients. Furthermore, Tree Line's investment parameters for its Clients do not overlap with Enhanced's primary business activity which is detailed in Enhanced's ADV Part 2; Item 10 Other Financial Industry Activities and Affiliations.

***EPKS***

As detailed above and in ***Item 4 Advisory Business*** of this Brochure, and as more detailed in EPKS's ADV Part 2 Brochure, Paul Kasper, founder, sole owner, and Chief Executive Officer of EPKS, provides investment advisory and consulting services to Tree Line as an independent contractor through Tree Line's shared services agreement with Enhanced. Mr. Kasper is also a Manager of SBIC GP. Mr. Kasper is subject to the compliance policies and procedures of both Tree Line and Enhanced.

***UTS/UTIMCO******Receipt of Information of Registrant and Relying Advisers***

As set forth in the Ownership section of ***Item 4 Advisory Business*** of this Brochure, UTS owns interests in Registrant and the Relying Advisers. Additionally, UTS is an investor in TLDL, TLCS, and TLDL II. Also, as noted in the Management section of ***Item 4 Advisory Business*** of this Brochure, UTIMCO on behalf of UTS has board observation rights of the Registrant's board and, with the exception of SBIC GP, the Relying Advisers' board. As a result of the foregoing, UTS /UTIMCO may receive information regarding the financial position of Registrant and the Relying Advisers that the SMAs or other investors in the Funds would not otherwise receive.

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

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 Clients or a related person of Tree Line are seeking to invest in a prospective portfolio company at the same time, an investment of a related person will only be allowed if disclosures concerning any conflict of interest are made, in advance, to the Chief Compliance Officer. Please refer to ***Item 6 Performance-Based Compensation and Side-by-Side Management*** for more detail.

Service providers of Tree Line and the Funds may invest in the Funds directly or through their affiliates. This creates a potential conflict of interest because Tree Line could have an incentive to engage a different service provider than it would if not for the investment by the service provider and/or its affiliates. However, in engaging service providers, Tree Line conducts arms’ length due diligence to ensure that each service provider will serve the best interests of Clients. The Code also prohibits unfair dealing of any sort.

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 of Tree Line that may conflict with the interests of the 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.

### **Principal Transactions and Transactions Between Clients**

In limited circumstances, to the extent permitted in a Client's governing documents and by applicable law and regulation, Tree Line may engage in principal transactions and transactions wherein securities are sold by one or more Clients to one or more other Clients, including, for example, as is described in this Brochure under ***Item 4 Advisory Business - Management and Operations***. Any principal transactions engaged in will be principal transactions solely due to the fact that Tree Line and its controlling persons may hold a greater than 25% ownership interest in a Client involved in the transaction. Tree Line does not intend to engage in transactions between Clients and its own account or the accounts of its principals solely. Tree Line may receive compensation from such transactions in the form of fees earned based on the net asset value of the Client that receives the subject securities or carried interest distributions based on the performance of such securities. Tree Line will, to the extent required by applicable law or regulation and each Client's governing documents, obtain the prior consent of a Client, as applicable, for such transactions. Tree Line will not receive any compensation for executing any such transaction. Underlying investors of each Client should note that the governing documents of a Client may authorize the advisory board (or equivalent) of a Client to provide such consent on behalf of such Client. Tree Line may face a potential conflict of interest in engaging in such transactions. Tree Line has adopted policies and procedures in relation to such transactions and to mitigate such conflicts.



**ITEM 12. BROKERAGE PRACTICES**

Tree Line does not receive research products or services from any broker-dealer. As discussed above at ***Item 10 Financial Affiliations/Associations***, Tree Line makes certain Client investments through loan syndicates arranged by TLMC, a limited purpose broker-dealer that is wholly-owned by Tree Line. Clients do not compensate TLMC for its services, and in using TLMC to make Client investments, Tree Line considers only whether the relevant Client(s) would be able to participate in an investment opportunity without TLMC's syndication services. TLMC was formed for the purpose of facilitating Client investments, and when Tree Line determines that a loan syndicate is necessary for Client(s) to participate in an investment opportunity, Client investments are made using TLMC. Because of the affiliation between Tree Line, the use TLMC presents potential conflicts of interest that Tree Line believes is mitigated, as discussed above in ***Item 10 Financial Affiliations/Associations***.

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**ITEM 13. REVIEW OF ACCOUNTS**

Tree Line follows a disciplined investment process. The process consists of six distinct phases: (1) qualification of the Clients' 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 several times a week 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 and competitive landscape, (2) Unit Economics and company margin profile, (3) Financial Model and analysis of historical performance, (4) Management Assessment, and (5) Confirmatory Legal Diligence and documentation. 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 a portfolio company, 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 Clients 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 the SMAs and to the investors in the Funds depends on the terms of the governing documents of the Funds and the SMAs. The SMAs and the investors in the Funds are requested to refer to a Fund's limited partnership agreement and the SMAs' advisory agreements, as well as applicable statute or regulations, regarding reports they are to receive.

**ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Tree Line has engaged Probitas Funds Group, LLC (“Probitas”), a registered broker-dealer, to assist in soliciting investors for TLDL III. Tree Line paid a one-time upfront fee at the time of execution of the engagement letter between Tree Line and Probitas. Additionally, for any Probitas solicited investors, Probitas will get a percentage of management fees paid to Registrant by any such solicited investor. As of the date of this Brochure, no investor has been solicited by Probitas.

Other compensation is discussed in *Item 5 Fees and Compensation*.

**ITEM 15. CUSTODY**

Tree Line is deemed to have custody of the assets of the Clients 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"), that prepare audited financial statements for each Fund. 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. Client assets are maintained with a qualified custodian. For the SMAs and as provided in their respective investment advisory agreements, Tree Line delivers quarterly reports containing information including, but not limited to, loan transactions that took place for that quarter and various credit metrics of those loan transactions, together with any other loan transactions since the inception of such advisory agreement.

**ITEM 16. INVESTMENT DISCRETION**

Tree Line has discretionary authority with the Clients to buy and sell securities or other investments on behalf of the Clients 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 or the SMAs' investment advisory agreement. The terms upon which Tree Line serves as investment manager of the Clients were established at the time of closing of each Fund and upon execution of the SMAs' investment advisory agreement.

**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. Tree Line's proxy voting policy is to vote proxies in the best interest of the SMAs, the Funds, 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.

The SMAs and any investor in the Funds may obtain a copy of Tree Line's proxy voting policies and information on how Tree Line voted proxies, if applicable, 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.