

Shoreline Equity Partners, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Shoreline Equity Partners, LLC and Shoreline Equity Partners II, LLC (collectively “Shoreline” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (904) 222-6552. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. References in this brochure to Shoreline as a “registered investment adviser” are not intended to imply any level of skill or training.

Additional information about Shoreline is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

This brochure serves as an update to our brochure dated March 2022. Such material changes include:

Item 1: change of CCO from Jennifer Lada to Daniel Giddens

Item 5: has been updated to reflect certain changes in respective Funds management fee offsets. Furthermore, certain in-house services including to fund administrative services (“Internalized Operations Resources”) will be reimbursed based upon actual costs up to \$250,000. In addition, fees and expenses incurred by the Portfolio Operations Group will typically be paid by the Adviser and will commensurately be reimbursed by reducing the offset to Management Fees resulting from Ancillary Fees received by the Adviser.

In addition, the Adviser routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies and procedures, as well as responding to industry best practices.

We encourage all recipients of this brochure and private offering materials to read these documents carefully in their entirety and to contact us should you have any questions.

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Advisory Business

For purposes of this brochure, the “Adviser” or “Shoreline” means Shoreline Equity Partners, LLC and Shoreline Equity Partners II, LLC, each a Delaware limited liability company, together (where the context permits) with its affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates are under common control with Shoreline Equity Partners, LLC, and/or Shoreline Equity Partners II, LLC but possess a substantial identity of personnel and/or equity owners with Shoreline Equity Partners, LLC and/or Shoreline Equity Partners II, LLC. These affiliates were formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds.

Shoreline provides investment advisory services to privately offered pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Adviser focuses on managing private equity funds that make control investments in lower middle market companies primarily located in the Southeastern United States with an emphasis on value creation through both scaling businesses and optimizing operations. Shoreline’s investment activities are generally focused on specialized manufacturing, distribution and business and industrial services, as well as other industries where the Adviser’s investment team has historical experience. Investments in portfolio companies (referred to herein as “Portfolio Companies” and individually as a “Portfolio Company”) are typically done through (i) buyouts, (ii) recapitalizations and (iii) corporate divestitures. Shoreline was founded in 2019 by Michael Hand and Peter Franz and together, remain the principal owners of the Adviser.

Shoreline serves as the investment adviser to Shoreline Equity Partners Fund I, L.P. and Shoreline Equity Partners Fund II, L.P., which are pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended, and whose securities are not registered under the Securities Act of 1933, as amended (collectively the “Funds” or “Clients”). Affiliates of Shoreline serve as the General Partners to the Funds and maintain discretion over investment making decisions as set forth in the private placement memorandum, limited partnership agreement, investment and advisory agreement and/or side letter agreements negotiated with investors of the applicable Fund (collectively, the “Governing Documents”). Any Investment advice provided to the Funds by Shoreline or the respective General Partners is tailored to meet the investment objectives and restrictions set forth in the Governing Documents. The Adviser does not tailor advisory services to the needs of individual investors. Investors enter into side letters or similar agreements with the Funds or General Partners which can alter or supplement the terms of the Partnership Agreement to the specific investors.

As of December 31, 2022, Shoreline managed approximately \$1.004 billion of regulatory assets under management on a discretionary basis.

Fees and Compensation

The Adviser receives a management fee and carried interest in connection with its advisory services. Shoreline or its affiliates receive additional compensation in connection with the management or other services performed for Portfolio Companies which typically result in an offset to the management fees in accordance with, and as described by, the Funds Governing Documents.

Management Fees

The Funds will pay Shoreline an annual management fee equal to a percentage of the aggregate commitments of the Limited Partners, excluding Limited Partners who are affiliated members of the General Partner, which shall be payable quarterly in advance beginning with the date of the partnership commencement date as defined in the Governing Documents. Management fees are typically reduced during the life of a Fund. The precise amount and manner and calculation of the management fee for each Fund is established in a Fund's governing documents. The management fee and other fees and distributions described herein are generally subject to modification, waiver or reduction by Shoreline in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. The fee structures described herein may be modified from time to time. Fees can differ from one Fund to another, as well as among investors in the same Fund.

The management fee is subject to reductions or offsets as described in the applicable Funds' Governing Documents. Shoreline receive fees from Portfolio Companies subject to contractual requirements such as, but not limited to, monitoring fees, transaction fees, director fees, financial advisory fees, organization and financing fees, operational fees, commitment, break-up and topping fees, divestment fees, termination fees, project fees, fees relating to the arrangement of acquisitions or other financial restructuring, or divestments, investment banking fees, fees relating to credit origination, loan syndication, loan serving and/or other types of management consulting and other similar operational and financial matters and/or other fees and annual retains from, or with respect to, the Portfolio Companies (such fees, "Portfolio Company Fees"). These Portfolio Company Fees are often substantial and are typically paid in cash, in securities of the Portfolio Companies, prospective Portfolio Companies or investment vehicles (or rights thereto) or otherwise. Although Portfolio Company Fees are in addition to the management fees, Shoreline will reduce the amount of management fees paid by the applicable Fund in connection with the receipt of such Portfolio Company Fees in accordance with the Governing Documents of the applicable Fund. Under the terms of the applicable Governing Documents, for purposes of calculating any management fee offset, Portfolio Company Fees are net of out-of-pocket costs and expenses incurred by Shoreline in connection with consummated or unconsummated transactions or in connection with generating any such fees.

To the extent a Portfolio Company Fee relates to more than one Fund, the portion of the Portfolio Company Fee allocable to capital invested by a Fund, co-investment vehicle, or third-party investor that does not pay management fees or to capital committed by a Fund investor that does not pay management fees will be retained by Shoreline and such amounts will not offset the management fee.

With respect to certain Funds, the General Partner and/or the Adviser will be reimbursed for actual expenses incurred in connection with paying for certain in-house services, including but not limited to fund administration services (“Internalized Operations Resources”) (i) where the respective Funds would have otherwise hired a third party to do so and (ii) the cost of which would otherwise be a fund expense; provided that without the consent of the LP Advisory Committee such amounts paid for or reimbursed by the Fund for Internalized Operational Resources and other costs and expenses for related services that are provided by in-house personnel shall not exceed \$250,000 per year. Internalized Operations Resources may benefit the Fund, Related Funds and co-investors, and the Adviser may have a conflict of interest in determining how to allocate the costs of such Internalized Operations Resources, particularly where the Related Fund or co-investor does not permit reimbursement of the Adviser for Internalized Operations Resources. The allocation of costs and expenses related to Internalized Operations Resources between the Adviser, the Fund, any Related Funds, any co-investors, and/or the Portfolio Companies of the Fund or portfolio companies of a Related Fund requires judgments as to methodology that Management Company makes in good faith but in its sole discretion. These allocation methodologies may include: requiring personnel to periodically record and allocate their time with respect to the Funds, any co-investors, and/or the Portfolio Companies of the Funds; Adviser approximating the portion of time a person has spent with respect to the Funds, any co-investors, and/or the Portfolio Companies of the Funds; the assessment of an overall dollar amount (for instance, based on a fixed fee or a percentage of a proposed annual budget related to such services) that the Adviser believes represents a fair recoupment of expenses and a fair rate for such services; and any other methodology determined by the Adviser to be appropriate under the circumstances. Any methodology chosen by Management Company involves inherent conflicts of interest and could result in a greater expense to the Limited Partners (via a reduction in the management fee offset) and Portfolio Companies than would be the case if such services were provided by third parties.

In addition, the Funds or a Portfolio Company expects to compensate certain individuals that are expected to have relevant experience in the Adviser’s targeted industries, individuals that have significant transactional and operations integration capabilities, and individuals with significant operating experience in building market leading companies, all of which may include affiliates, employees and former employees of, Portfolio Companies of other of the Adviser’s funds, or third-party consultants (including specialized consultants, external executives, industry specialists, industry advisory roundtable members and similar professionals) (collectively, “Executive Advisors”). Such compensation will be paid by, and expenses will be reimbursed by, the Fund directly or by Portfolio Companies of the Funds, which will not result in a reduction of, or offset to, management fees and will therefore be borne by the Limited Partners. In addition certain Funds, and as set forth in a Fund’s governing documents, Shoreline from time to time retains individuals from time to time to work in senior management roles and provide operational support, specialized operations and consulting services and similar or related services to, or in connection with, one or more Portfolio Companies in relation to the identification, acquisition, holding, improvement and disposition of such Portfolio Companies (such individuals, “Operating Partners”). The fees and expenses associated with these services are paid and/or reimbursed by Portfolio Companies and/or the relevant Fund or Funds. Operating Partners of the Firm are directly compensated by portfolio

companies for their operational and management services. While the Firm utilizes the expertise of Operating Partners directly to improve portfolio company operations, the Firm may realize certain indirect benefits (for example, to its reputation and to the knowledge base of its investment professionals) from the activities, expertise and association with the Firm of such operating partners. Such expenses are determined at the discretion of the General Partner taking into account the particular services provided to the Portfolio Companies. Compensation includes equity interests (e.g., options) or other interest (e.g., profits) in the Portfolio Company, or other incentive-based compensation (e.g., board fee and equity interests) to the Operating Partner, and will be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operating Partner, a percentage of the value of the Portfolio Company, the invested capital exposed to such Portfolio Company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. Fees may be received in respect of a portfolio company prior to the closing of the investment. In addition, Operating Partners may be offered the ability to invest in a Fund or in a particular Portfolio Company as a co-investor on preferred terms (including on a no-fee / no carry basis). The compensation received by any Operating Partners utilized by Shoreline will not offset any management fees.

In the event that Shoreline, the General Partner or its personnel receive stock of a Portfolio Company for services rendered, Shoreline, the General Partner or its personnel may act in its own interest and may determine to sell or hold the distributed stock until a time determined by the receiving party. The ability of the General Partner or its personnel to act in its own interest with respect to such distributed stock creates a conflict of interest between the General Partner and its personnel, on the one hand, and the Funds, on the other hand because the recipient's interests may not be aligned with those of the Funds and the recipient may determine to sell the stock received at a different time, or on different terms, than a Fund would sell its interest. Shoreline mitigates this conflict by approaching each scenario on a case-by-case basis taking into account all relevant facts and circumstances and will, generally, endeavor to resolve in a way that is fair and equitable to those involved.

Further, fees and expenses incurred by the Portfolio Operations Group (including, without limitation, salary, bonuses, benefits (including vacation and sick time), recruiting costs, payroll expenses and taxes, travel costs and insurance costs) ("POG Operations Expenses") will typically be paid by the Adviser and will commensurately be reimbursed by reducing the offset to Management Fees resulting from Portfolio Company Fees received by the Adviser. To the extent that such POG Operations Expenses in respect of a period exceed the Portfolio Company Fees received by the Adviser in respect of such period, amounts paid by the Adviser in respect of such POG Operations Expenses may be recouped by reducing the amounts offset by future Portfolio Company Fees. Alternatively, POG Operations Expenses may, in certain circumstances, be paid directly by Portfolio Companies of the Fund, rather than by the Adviser and any such direct payments will not reduce the Portfolio Company Fees or result in any further offset to the Management Fee payable by the Fund. Any POG Operations Expenses in excess of the aggregate Portfolio Company Fees received by the Adviser over the life of the Fund will be borne by the Adviser and will not be borne by the Fund.

The Adviser may, from time to time, establish certain investment vehicles through which certain employees, business associates and other “friends and family” of the Adviser, its affiliates or their personnel, other “friends of the firm,” or other persons may invest alongside one or more Funds in one or more investment opportunities (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowment or related programs, family investment vehicles and other estate planning vehicles). Such vehicles do not generally pay management fees or carried interest.

The Adviser or General Partner may waive all or any portion of the management fee with respect to a Limited Partner that is affiliated with either the Adviser or the General Partner, or both.

Upon termination of an advisory agreement, any management fees that have been prepaid are generally returned on a prorated basis.

Carried Interest

The Funds’ General Partner is entitled to receive a carried interest of a percentage of the realized profits subject to an 8% preferred return. The Funds General Partner’s entitlement to carried interest is subject to clawback provisions and other more detailed allocation and distribution provisions set forth in the applicable Governing Documents.

Fund Expenses

All costs associated with the salaries of its investment and administrative personnel and its rent, utilities and office space will be paid for by the Adviser. The Funds shall pay, or if paid by the Adviser, General Partner or their affiliates for (excluding a Fund), reimburse the Adviser, General Partner or their affiliates for, all expenses made on behalf of such Fund, as described in the applicable Governing Documents. Fund expenses may include, but not limited to, (a) all printing, legal, accounting, reasonable travel, marketing, virtual data room and other fees and expenses (including without limitation reimbursements of fees and expenses of third parties, including without limitation legal and accounting advisers) incurred by the Fund, the General Partner, the Adviser or their affiliates in connection with the start-up and organization of the Fund, any feeder fund, any parallel fund and the General Partner and the offering and sale of limited partner interests in the Fund (“Organizational Expenses”); (b) the fees and expenses of any placement agent utilized in connection with the offering and sale of limited partnership interests in the Fund via the management fee offset; (c) all fees and expenses of professional and similar services to, or in connection with the operation of, the Fund (including without limitation legal, accounting, consulting, marketing, audit, investment banking, reporting, valuation, tax preparation, research, risk management, due diligence, administrator services and expert networks), all fees and expenses associated with information technology (including without limitation the cost of acquiring, licensing, developing, implementing or maintaining any virtual data room, software, hardware, or other technological system or database) and news quotation or other research or information database subscriptions, all fees and expenses of maintaining the Fund’s books and records, and all filing and similar fees paid on behalf of the Fund, in each case including without limitation

reimbursements of any fees and expenses to advisers, service providers and other third parties, but also in each case only to the extent that any of the foregoing fees and expenses are not reimbursed by entities in which the Fund invests or proposes to invest; (d) all fees and expenses (including without limitation reasonable travel fees and expenses incurred by the General Partner, the Adviser and their respective affiliates and amounts referred to in clause (c) of this sentence) related to research, discovery, sourcing, investigation, diligencing, negotiating, structuring (including without limitation the fees and expenses associated with any Alternative Investment Vehicles and fees and expenses associated with establishing and administering intermediate or special purpose entities), hedging, making, holding, developing, operating, managing, monitoring, restructuring, refinancing or disposing of investments, including without limitation with respect to transactions that are not consummated, in each case only to the extent that such fees and expenses are not reimbursed by entities in which the Fund has invested or proposed to invest (including, for the avoidance of doubt, fees that would otherwise be payable by a co-investment vehicle); (e) fees and expenses in connection with attending conferences and trade association and similar meetings in connection with researching and sourcing investment opportunities or business sector opportunities; (f) all fees and expenses relating to compliance with tax, securities law or other legal or regulatory requirements applicable to the Fund (including without limitation preparation and filing of Form PF and registration or other compliance obligations related to, or arising as a result of, the offering and sale of interests in the Fund in any jurisdiction or from managing compliance with FATCA or similar regimes but excluding any routine, ordinary expenses of the Adviser relating to its registration as an investment adviser with the Securities and Exchange Commission that are not specifically related to the Fund) (it being understood that any fees and expenses set forth in this clause (f) shall not constitute Organizational Expenses); (g) all insurance (including without limitation insurance of a type referred to in the limited partnership agreement), custody, depositary, transfer, registration and similar fees and expenses incurred by the Fund; (h) all brokerage, and finders' fees and commissions and discounts incurred (including costs associated with any buy-side incentive program) in connection with the purchase or sale of securities; (i) all fees and expenses in connection with any borrowing or guarantees by the Fund, including without limitation interest, financing fees and other fees and expenses in connection with establishing a credit facility or arising from any letter of credit; (j) all expenses of the Advisory Committee; (k) all extraordinary expenses, such as litigation and indemnification costs, expenses, judgments and settlements (subject, with respect to indemnification obligations, to the priority of indemnification obligations set forth in the applicable Governing Documents); (l) all taxes and other governmental charges, fees and duties applicable to the Fund and the General Partner but not any member of the General Partner and any related interest and penalties (other than as provided in limited partnership agreement); (m) all reasonable fees expenses incurred by the Fund and the General Partner or its affiliates in connection with meetings of one or more Partners and related activities, including without limitation reasonable travel fees and expenses incurred by the Adviser or its affiliates in connection with such meetings and activities, all fees and expenses incurred in providing reports and notices to Partners and all fees and expenses associated with making capital calls from and distributions to Partners, including without limitation costs of software used to facilitate all such activities; (n) all fees and expenses in connection with the dissolution, liquidation and termination of the Fund and any feeder fund; (o) other similar fees and expenses; and (p) any other fees and expenses approved by the Advisory Committee. References herein to reasonable travel and related expenses described herein include, without related accommodation, dining, entertainment fees and expenses, black car transportation

and first class and/or business class commercial airfare, whether actually incurred or incurred as the deemed cost of using or chartering private aircraft or other private air travel (including the use of a private aircraft owned or partially owned by the Adviser, any of its affiliate or any of their respective owners).

Shoreline shall allocate aggregate expenses that are reasonably related to the Funds, and any direct General Partner investor pro rata among the relevant Fund or Funds, and any direct General Partner investor in accordance with (i) in the case of any expenses related to an investment opportunity made available to such Fund, and any direct General Partner investor, in proportion to their capital subscriptions (and, for this purpose, the portion of the Direct Side-by-Side Commitment held by each applicable direct General Partner investor shall be treated as the amount of the capital subscription of such General Partner investor), (ii) in the case of management fees, management fees paid by each Fund in accordance with Governing Documents with respect to such Funds (and no direct General Partner investor shall bear any such fees), and (iii) in the case of all other expenses (including without limitation organizational expenses and analogous organizational expenses of any parallel fund), the relative aggregate capital subscriptions of each Fund and, or in each case, on such other basis as the General Partner determines in good faith reflects the appropriate allocation of such expenses (including without limitation to allocate expenses that the General Partner determines in good faith pertain solely to the Fund or to a Parallel Fund or direct General Partner investor to such Fund or direct General Partner investor, respectively).

Shoreline allocates aggregate expenses that are related to an investment opportunity made available to the Funds and any co-investors pro rata among the Funds and any such co-investors based on the amount invested (or proposed to be invested) by each in such investment opportunity; provided that the Funds bear all expenses in connection with any investment opportunity that is not consummated, as determined by the General Partner in its sole discretion. Generally, in accordance with applicable Funds' Governing Documents, if a proposed transaction is not consummated generally neither a co-investment vehicle nor a co-investor will bear any amount of costs related to an unconsummated transaction, even if a co-investment vehicle has been formed for the purpose of investing in a proposed transaction or if co-investors have otherwise committed to invest in the proposed transaction. As a result, the full amount of any costs related to an unconsummated transaction would therefore be borne entirely by the Funds or any related investment vehicle selected by the Adviser as proposed investors for such proposed transaction and result in the Fund or Funds bearing more than its pro rata share of such expenses. Furthermore, to the extent a co-investment vehicle is formed in connection with a proposed transaction, expenses relating to such co-investment vehicle (including, for instance, expenses related to its organization and formation solely for the benefit of such co-investment vehicle and other expenses incurred in connection with making an investment) typically will be borne by the Funds or a related investment vehicle, regardless of whether such proposed transaction is consummated.

From time to time, the General Partner of a Fund creates certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event the General Partner creates an SPV, consistent with the Governing Documents of the Funds, the expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV will typically be borne by the Funds,

and indirectly the investors thereof (even if such investors do not participate in any such SPV.) In addition, expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in the Fund (including, without limitation, expenses of accounting and tax services) may be borne by the Funds and indirectly, the investors thereof (even if such investors do not participate in any such feeder fund or similar vehicle).

At its discretion or pursuant to the terms of the investment and advisory agreement, Shoreline may pay expenses that would otherwise be allocated to a Client. Shoreline and Clients that do not pay expenses typically benefit from services paid for by other Clients or the Adviser, as applicable.

Shoreline and its personnel receive certain intangible and/or other benefits and/or prerequisites arising or resulting from their activities on behalf of the Funds which will not be subject to management fee offset or otherwise shared with the Funds, Limited Partners and/or Portfolio Companies. For example, airline travel or hotel stays incurred as Fund operating expenses may result in “miles” or “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the Adviser and/or such personnel (and not the Funds, Limited Partners and/or Portfolio Companies) even though the cost of the underlying service is borne by the Funds and/or Portfolio Companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for an Adviser personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Adviser personnel to the extent the trip also serves a personal purpose.

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by the Adviser, a Fund, a Portfolio Company, co-investors and/or a third-party (each, an “Allocable Party”) and if so, how such fees, costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party or, fees, costs and expenses may be allocated among multiple Allocable Parties. The Adviser allocates fees, costs and expenses in accordance with a Fund’s Governing Documents. To the extent not addressed in the Governing Documents of a Fund, the Adviser will make allocation determinations among Allocable Parties on a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by the Adviser in its sole discretion). The Adviser will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance and a Fund will bear more or less of a particular expense based on the methodology used.

Investors and prospective investors are reminded to review the applicable Fund's Governing Documents, specifically the limited partnership agreement, for more detailed information related to expenses borne by the Funds.

The Funds' fees are not negotiable as the fees are negotiated and contemplated during the fund formation process.

Performance Based Fees and Side-by-Side Management

As described above and in the Funds' Governing Documents, the General Partner may receive a carried interest of up to 20% of realized profits with respect to certain Funds. The General Partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors in such Funds may incur lower or no carried interest. The receipt of carried interest creates an incentive for General Partner to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such carried interest were not allocated to the General Partner. Shoreline believes that the perceived conflict of interest is mitigated since the General Partner, professionals and employees of the Adviser and its affiliates are investors in certain Funds and therefore have their interests aligned with other investors in the Funds. Additionally, Shoreline has adopted and implemented written compliance policies and procedures that are designed to address conflicts of interest.

Types of Clients

As described above, Shoreline provides investment advisory services to private fund clients. Investments in the Funds are only offered to investors who are "accredited investors" as defined in Regulation D under the Securities Act, and "qualified purchasers" as defined in the Investment Company Act. Investment advice is provided directly to the Funds (subject to the direction and control of the General Partner of each such Fund, if applicable) and not individually to investors in such Funds.

Investors in the Funds may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The Funds' have a minimum investment capital commitment amount of \$5 million. However, the General Partner reserves the right in its sole discretion to waive the minimum investment capital commitment amount as set forth in the Governing Documents of each Fund.

Methods of Analysis, Investment Strategies and Risk of Loss

As described above, Shoreline seeks to generate risk-adjusted returns for its investors by making control investments in U.S. lower middle market companies with enterprise values typically ranging from \$50 million to \$250 million. The Adviser targets businesses primarily located or sourced in the Southeast (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia) as well as Texas, Maryland and Washington D.C. Shoreline's investment activities are generally focused on specialized

manufacturing, distribution, and business and industrial services, among other industries, particularly where the investment team has historical experience and implements three sector-agnostic investment strategies that includes investing in companies that (i) seek their first institutional capital, (ii) are underinvested private equity-back companies, and/or (iii) possess an attractive buy-and-build story.

The Adviser employs a robust and iterative investment process that requires new investment decisions to be made by a unanimous vote of Investment Committee only after substantial due diligence has been conducted. The investment team employs a hands-on approach and works closely with management teams to implement necessary changes for transforming and growing their businesses. Shoreline seeks to drive value through: (i) strategic planning; (ii) strengthening the management team; (iii) implementing operational improvement initiatives; (iv) developing measurable financial metrics; and (v) improving operational and reporting systems and will continually evaluate the market dynamics and timing of potential exit opportunities.

Investors in the Funds are reminded to refer to the relevant Fund's Governing Documents for disclosure that specifically addresses the methods of analysis and investment strategies employed by such Fund. The above information is intended to be a summary only.

All investing involves a high degree of risks, including the possibility of partial or total loss of capital, that investors in the Funds should be prepared to bear. There can be no assurance that the Funds will achieve its investment objectives or receive a return on its investments. The below risks are intended to be a summary of potential material risks presented by the methods of analysis and investment strategies pursued by Shoreline. Investors in the Funds should ultimately reference the applicable Fund's Governing Documents for additional detailed risks disclosure that specifically address the risks of each Fund's methods of analysis and investment strategies.

Financial Market Fluctuations

The Funds' investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Funds operate may undergo substantial changes. There can be no assurance that such economic and market conditions will be favorable in respect of both the investment and disposition activities of the Funds. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the Portfolio Companies. The Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held Portfolio Companies, investors' risk-free rate of return and the ability of Portfolio Companies to refinance debt securities (including their ability to sell new securities in the public high-yield debt market or otherwise). To

the extent that such marketplace events occur, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such an economic downturn could adversely affect the financial resources of corporate borrowers in which the Funds invested and result in the inability of such borrowers to make principal and interest payments on outstanding debt when due. In the event of such default, the Funds may suffer a partial or total loss of capital invested in such companies, which could, in turn have an adverse effect on the Funds' returns. The ability to realize investments depends not only on Portfolio Companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. The trading market, if any, for the securities of any Portfolio Company may not be sufficiently liquid to enable the Funds to sell these securities when the Adviser and the General Partner believes it is most advantageous to do so, or without adversely affecting the stock price. The Funds may be adversely affected to the extent that it seeks to dispose of any of its Portfolio Companies into an illiquid or volatile market, and the Funds may find itself unable to dispose of investments at prices that the Adviser and the General Partner believe reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of Portfolio Companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Financial Institution Risk; Distress Events

An investment in a Funds is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Funds' assets (each, a "**Financial Institution**") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Shoreline, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("**FDIC**"), in the case of banks, or the Securities Investor Protection Corporation ("**SIPC**"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Shoreline to manage the Funds and their investments, and on the ability of Shoreline, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund

to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Shoreline expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Shoreline and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the custodian, which heightens the risks associated with a Distress Event with respect to such custodians. Although Shoreline seeks to do business with custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Shoreline is under no obligation to use a minimum number of custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Force Majeure Risk

Portfolio Companies may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Some force majeure events may adversely affect the ability of a party (including a Portfolio Company or a counterparty to the Funds or a Portfolio Company) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a Portfolio Company or the Funds of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more Portfolio Companies or its assets, could result in a loss to the Funds, including if its investment in such Portfolio Company is canceled, unwound or acquired (which could be without what the Funds considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Funds and its Portfolio Companies.

Cyber Security Risk

With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as the Funds and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Funds, the General Partner, the Adviser and/or other third-party service providers may adversely impact the Funds or the Limited Partners. For instance, cyber-attacks may interfere with the processing of Limited Partner transactions, impact

the Funds' ability to value its assets, cause the release of private Limited Partner information or confidential information of the Funds, impede trading, cause reputational damage, and subject the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Funds may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. The Funds and the Limited Partners could be negatively impacted as a result. While the Funds or the Funds' service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which the Funds invests, which could result in material adverse consequences for such issuers, and may cause the Funds' investment therein to lose value. In the event that the Funds incur any liabilities as a result of a cyber security breach, including due to wire fraud, the General Partner, the Adviser and their respective affiliates will not be liable to the Funds for such liabilities unless such cyber security breach, including due to wire fraud, is directly attributable to the gross negligence or willful misconduct of the General Partner, the Adviser or their respective affiliate, as the case may be.

Lack of Operating History

Each of the General Partner and the Funds is newly formed at the initial closing of the applicable Fund and has no operating history at such time. Limited Partners must rely upon the ability of the Adviser and the General Partner to identify, structure and implement investments consistent with the Funds' investment objectives and policies. The Funds may not have identified any particular investment at its initial closing and may be unable to find a sufficient number of attractive opportunities to meet its investment objectives or fully invest its committed capital.

While some of the Adviser's investment professionals have previously worked with each other in other organizations and/or have had other past business relationships, the Adviser's investment professionals do not have experience working together as a part of a single, coordinated enterprise as they will in connection with the conduct of the activities of the Adviser and the General Partner. Difficulties in working together in such a setting could arise for a variety of reasons, including holding inconsistent views with respect to the attractiveness, valuation, structure, oversight or realization of one or more investments or potential investments of the Funds. Difficulties could also arise for reasons unrelated to the Funds' investment activities. If any of the Adviser's investment professionals or other investment and operating professionals associated with the Adviser or General Partner experience difficulties in working together, the investment performance of the Funds could be affected in a material and adverse manner. Additionally, there can be no assurance that all of the professionals of the General Partner and the Adviser will continue to be associated with the Funds throughout its term. The loss of the services of one or more members of the professional staff of the Adviser could have an adverse impact on the Funds' ability to realize its investment objective.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies

Before making investments in any particular company, the Funds will typically conduct due diligence that it deems 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. 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. Such involvement of third party advisors or consultants may present a number of risks primarily relating to the Funds' reduced control of the functions that are outsourced. In addition, if the Funds are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding a potential investment, the Funds rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations and/or consumer surveys. The due diligence investigation that the Funds carry 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 the investment being successful.

There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the Funds as being speculative and having a high degree of risk. There can be no assurance that the Funds will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by the General Partner will be adequate. In the event of fraud by any Portfolio Company or any of its affiliates, the Funds may suffer a partial or total loss of capital invested in that Portfolio Company. An additional concern is the possibility of material misrepresentation or omission on the part of the Portfolio Company or the seller. Such inaccuracy or incompleteness may adversely affect the value of the Funds' investment in such Portfolio Company. The Funds rely upon the accuracy and completeness of representations made by Portfolio Companies and in certain instances their former owners in the due diligence process when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. In addition, conduct occurring at Portfolio Companies, even activities that occurred prior to the Funds' investment therein, could have an adverse impact on the Fund.

Long-Term Investment

The Funds are intended for long-term investment and for investors who can accept the risks associated with making highly speculative, primarily illiquid investments in privately negotiated transactions. The investments of the Funds are unlikely to provide current income, which is not an objective of the Funds. It is anticipated there will be a significant period of time (up to five (5) years or more from the date of the Funds' final closing date) before the Funds complete its investment program. Investments may typically take from three to seven (3 to 7) years from the

date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures may not provide liquidity for the Funds' investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of the Funds' investments will occur for a significant period of time after the first closing of the Funds. Certain of the Funds' investments may not be disposed of in an advantageous manner prior to the date that the Funds will be dissolved, either by expiration of the Funds' term or otherwise. No assurance can be given in any such circumstances that the Funds will have received a return of its invested capital or that the Funds will otherwise be able to exit its investments by sale or other disposition (at attractive prices or at all). In addition, losses on unsuccessful investments may be realized before realization of gains on successful investments. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment.

Concentration of Investments

The Funds' portfolios are intended to be concentrated in a limited number of companies, the majority of which are, or have been identified from sources which are, located primarily in the Southeastern United States, increasing the vulnerability of the portfolio as compared with a portfolio that is more diversified. The performance of a few key holdings may substantially affect the Funds' aggregate return. Concentration within a limited geographic focus will typically involve risks greater than those of investment funds that invest across or source investments from a broader geographic area.

Risks Associated with the Funds' Portfolio Companies

Typically, although members of the General Partner or the Adviser will often serve on a Portfolio Company's board of directors, each Portfolio Company will be managed by its own officers (who generally will not be affiliated with the Funds, the Adviser or the General Partner). The Funds may hold minority positions in Portfolio Companies and may acquire securities that are subordinated vis-à-vis other securities as to economic, management or other attributes. In such cases, the Funds will rely significantly on the existing management and boards of directors of such Portfolio Companies, which may include representatives of other investors with whom the Funds are not affiliated and whose interests or review may conflict with the interests of the Funds. Additionally, Portfolio Companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage.

Portfolio Companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. The Funds' capital is limited and may not be adequate to protect the Funds from dilution in multiple rounds of Portfolio Company financings.

The public market for Portfolio Companies in which the Funds will invest is extremely volatile. Such volatility may adversely affect the development of Portfolio Companies, the ability of the Funds to dispose of investments, and the value of investment securities on the date of sale or distribution by the Funds. In particular, the receptiveness of the public market to initial public offerings by the Funds' Portfolio Companies may vary dramatically from period to period. An

otherwise successful Portfolio Company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. The receptiveness of potential acquirers to the Funds' Portfolio Companies will vary over time and, even if a Portfolio Company is disposed of via a merger, consolidation or similar transaction, the Funds' stock, security or other interests in the surviving entity may not be marketable. There can be no guarantee that any Portfolio Company investment will result in a liquidity event via public offering, merger, acquisition or otherwise, and there is a significant risk that the Funds' investments will yield little or no return. Generally, the investments made by the Funds will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of the Funds' investment, a Portfolio Company may lack one or more key attributes (e.g., proven technology, appropriate patent protection, marketable product, complete management team, or strategic alliances) necessary for success. Many or most of the Funds' Portfolio Companies will be dependent for their success upon the development, implementation, marketing and customer acceptance of new technologies that can be rendered obsolete or otherwise unattractive at any time. In most cases, investments will be long term in nature and may require many years from the date of initial investment before disposition. It is likely that the Funds will still hold some illiquid securities at the time of the Funds' dissolution, with the result that such securities may be distributed in-kind or sold for a price that reflects their illiquid nature.

In some cases the Funds may be prohibited by contract or legal or regulatory reasons from selling certain securities or other instruments for a period of time (e.g., due to limitations on sale arising from contractual lockups, obligations to receive consent to transfer or assign interests, or rights of first offer), and as a result may not be permitted to sell Portfolio Companies at a time it might otherwise desire to do so. To the extent that there is no trading market for such Portfolio Companies, the Funds may be unable to liquidate that investment or may be unable to do so at a profit. Moreover, there can be no assurances that private purchasers of the Funds' Portfolio Companies will be found. In addition, practical limitations may inhibit the Funds' ability to liquidate certain of its investments in Portfolio Companies since the issuer will be privately held and the Funds will in certain cases own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers. The above limitations on liquidity of the Funds' investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Illiquidity of Portfolio Investments

The Funds' investments may consist of securities that are subject to restrictions on sale under U.S. securities laws. Generally, the Funds will not be able to sell these securities publicly in the U.S. without the expense, time and other burdens required to register the securities under the Securities Act, or will be able to sell the securities only under Rule 144 or other rules under the Securities Act that permit only limited sales under specified conditions. When restricted securities are sold to the public, the Funds may be deemed a controlling person, or possibly an "underwriter," with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act.

Sales may in the future be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of the Funds' investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Bridge Financings

From time to time, the Funds may lend to Portfolio Companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always within the Funds' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Leverage

The Funds do not intend to use leverage at the Fund level for investment purposes. However, the Funds may borrow money to finance a portfolio investment or a Fund expense until the date that capital contributions with respect to that investment or Fund expense is received from investors. The Funds may secure such borrowings by mortgaging, pledging, assigning or otherwise collateralizing any part of the assets of the Funds, including the right to receive capital contributions from Limited Partners.

Portfolio Companies may incur leverage. Leverage may have important adverse consequences to these companies and the Funds as a direct or indirect investor in these companies. The amount of a leveraged company's borrowings and the interest rates on those borrowings, which may fluctuate from time to time, as well as the fees and other costs of borrowing, may have a marked effect on a leveraged company's performance due to restrictive financial and operating covenants. Leverage may also impair such companies' ability to finance their future operations and capital needs. Although Portfolio Companies may incur leverage, proceeds of this debt may be paid as a dividend to stockholders and not invested in operating or financial assets, or otherwise retained by the company. A leveraged company's income and net assets will tend to fluctuate at a greater rate than if borrowed money were not used. Moreover, a Portfolio Company with a leveraged capital structure will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates or deterioration in the condition of that Portfolio Company or its industry. In the event that a Portfolio Company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by the Funds in such Portfolio Company could be significantly reduced or even eliminated.

Foreign Currency Tax Effects and Hedging Transactions

The Funds may invest in debt obligations denominated in currencies other than the U.S. dollar and in partnerships or other pass-through entities whose functional currency is not the U.S. dollar, and the Funds may, but are not required to, utilize currency hedging transactions to manage the risks associated with fluctuations in currency exchange rates; these investments and transactions may generate gains or losses attributable to changes in foreign currency exchange rates. Gains and losses

attributable to changes in currency rates generally are treated as ordinary for U.S. federal income tax purposes unless the Funds qualifies for and makes certain elections to change the character of such gains and losses. In the absence of such elections, the Funds could be required to treat as, and allocate to the Partners as, ordinary income the net amount of its gains on certain transactions to the extent attributable to changes in currency exchange rates.

Investment in Restructurings

The Funds may, particularly in the context of a follow-on investment, invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing or expected to experience significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a Portfolio Company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Funds may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Funds invested. Further, such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the Funds' original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Fund and distributions by the Funds to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Debt Securities

While the Funds invest primarily in equity securities, it may, subject to the Governing Documents, invest in debt securities of existing or new Portfolio Companies or other issuers in instances where the General Partner believes it would be beneficial for the Funds to do so. Debt securities are subject to creditor risks, including the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws and so-called lender liability claims by the issuer of the obligations. Further, the laws with respect to creditors and other investors in non-U.S. jurisdictions may not be as comprehensive or as well developed as in the United States, and the procedures for the judicial or other enforcement of such rights may not be as effective as in the

United States, and conflicts of interest could arise in the event that the Funds and/or its affiliates own both debt and equity securities of the Portfolio Company. Additionally, adverse credit events with respect to any Portfolio Company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of the Funds' investment in any such company. The Funds' investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Funds earlier than expected. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless. Accordingly, there can be no assurance that the Funds' rates of return objectives will be realized. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured.

Multi-Step Transaction

In the event that a Fund determines to effect an investment in a Portfolio Company by means of a multi-step transaction (e.g., a first-step cash tender offer, a stock purchase followed by a merger, or a simultaneous acquisition and concurrent merger of two separate companies), there can be no assurance that the remainder of such Portfolio Company can be successfully acquired. As a result, the Fund may acquire only partial control over such a Portfolio Company or partial access to its cash flows to service any debt incurred in connection with its acquisition.

Investment in Junior Securities

The securities in which the Funds invest may be among the most junior in a Portfolio Company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Funds' investments once made.

Investments in Less Established Companies

The Funds may invest in the securities of less established companies or early stage companies. Investments in such early stage companies may involve greater risks than are generally associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment.

Investments in the Consumer Industry

The Funds invest in the consumer industry. Portfolio Companies in the consumer industry face significant competition and depend on their ability to differentiate themselves in an ever-changing market environment. The competitive environment for any Portfolio Company may intensify as (new) competitors enter its market (including, e.g., through online retail) or enter into business combinations or alliances. Competition is characterized by many factors, including assortment, advertising, price, quality, service, location, reputation and credit availability. Any failure by a

Portfolio Company to compete effectively could negatively affect such business and results of operations.

As consumers continue to migrate online, companies in the consumer industry face pressures to not only compete from a price perspective with their competitors, some of whom sell the same products, but also to differentiate themselves to stay relevant in the industry. A Portfolio Company may have to invest significantly in its sales capabilities (including online) in order to provide a seamless shopping experience to customers. Insufficient, untimely or misguided investments in this area could negatively impact the Portfolio Company's ability to attract new customers as well as maintain its existing ones and thus negatively affect such Portfolio Company's profitability, growth and, ultimately, value.

Investments in the Healthcare Industry

The Funds invest in the health care industry. Various segments of the health care industry are (or may become) (i) highly regulated at both the federal and state levels in the U.S. and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. While the Funds may make investments in companies that comply with relevant laws and regulations, certain aspects of their operations may not have been subject to judicial or regulatory interpretation. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements or reimbursement programs, could have a material adverse effect on the operations of the companies in which the Funds invest. Recent legislative changes have had, and will likely continue to have, a significant impact on the health care industry. In addition, various legislative proposals related to the health care industry are introduced from time to time at the U.S. federal and state level, and any such proposals, if adopted, could have a significant impact on the health care industry.

In addition, the health care industry spends heavily on research and development. Research findings (e.g., regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations) may make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or becomes available. Any such development could have a material adverse effect on the companies in which the Funds invest.

Many companies in the health care industry depend heavily on intellectual property rights, including patents, trademarks and servicemarks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a Portfolio Company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a Portfolio Company's particular product.

Investment in New Technologies

The Funds invest in new technologies. While investments in newly developing technologies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk than more developed technologies. Certain new technologies are more costly and time-consuming to reach viability and such companies may have difficulty establishing a market presence. Developing technologies are also more likely to have undeveloped regulatory frameworks and therefore there is a greater risk that regulatory developments may adversely affect the industry.

Valuation of Assets

There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and differs from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by the Adviser gives rise to conflicts of interest, valuations impact the Adviser's track record and the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees and calculation of Advisory Fees.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of the Adviser, service providers to the Adviser or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. The Adviser has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser will be able to identify or prevent such misconduct.

Environmental, Social and Governance Matters

While environmental, social or governance ("ESG") is only one of the many factors the Adviser will consider in making an investment, there is no guarantee that the Adviser will successfully implement and make investments in companies that create positive ESG impact while enhancing long-term shareholder value and achieving financial returns. To the extent that the Adviser engages

with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the Adviser will depend on the Adviser's skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Adviser's view of certain ESG-related and other factors, and carries the risk that the Adviser may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by the Adviser.

Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Adviser or any judgment exercised by Shoreline will reflect the beliefs or values of any particular investor. In evaluating a company, Shoreline is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause Shoreline to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or Shoreline's assessment of such practices may change over time.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and the Shoreline's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. The Shoreline's ESG policies could become subject to additional regulation in the future, and Shoreline cannot guarantee that its current approach will meet future regulatory requirements.

Climate Change

The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food

or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

Coronavirus Outbreak Risks.

The ongoing global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, vaccine mandates, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. The global impact of COVID-19 has been evolving over the course of the pandemic and, at different points of time has and may continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve.

Inflation

The U.S. economy is currently in a period of high inflation. Investments could have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an investment could earn more revenue but could incur higher expenses. As inflation declines, an investment might not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Accordingly, there can be no assurance that a higher rate of inflation will not have a material adverse effect on the Funds' investments.

Disciplinary Information

Shoreline and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to Shoreline's advisory business.

Other Financial Industry Activities and Affiliations

As described above, Shoreline Equity Partners Fund GP, L.P. serves as the General Partner to the Funds and is affiliated with Shoreline by common ownership. Any employees and/or persons acting on the General Partner's behalf are subject to the supervision and control of Shoreline.

Shoreline Equity Partners, LLC, either directly or indirectly, owns and controls Shoreline Equity Partners II, LLC (the "Relying Adviser").

The Relying Adviser is subject to Shoreline Equity Partner's regulatory oversight and its Code of Ethics (see below) together with its other compliance policies and procedures, as adopted pursuant to the requirements of the Advisers Act.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Shoreline has adopted a written code of ethics (the "Code") which describes the Adviser's fiduciary duties and responsibilities to its Clients. The Code is applicable to all members, officers and employees, as well as certain independent contractors (collectively, "Adviser Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with Shoreline's Chief Compliance Officer ("CCO") as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps Shoreline detect and prevent potential conflicts of interest.

Adviser personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of Shoreline's Code is available upon request by contacting Daniel Giddens at giddens@shorelineequitypartners.com.

Shoreline, its principals and affiliates, will have an interest in the investments made by the Funds by nature of the General Partner's investment in the Funds. A Fund or its General Partner, as applicable, may reduce all or a portion of the Management Fee and/or Carried Interest related to investments held by such persons. As referenced above, Shoreline has implemented policies and procedures designed to mitigate conflicts of interest and believes such investments align the interest between Shoreline and other investors in the Funds.

Other funds and investment vehicles advised by the Adviser, including any successor funds to the Funds (including the Funds, the "Related Investment Vehicles") may invest in assets eligible for purchase by the Funds. The investment policies, fee arrangements, Carried Interest, investments owned by employees of the Adviser or its affiliates with respect to the Funds, and other circumstances of the Funds, may vary from those with respect to other Related Investment Vehicles. These relationships may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to the Funds.

Subject to any requirements of the governing instruments of the Related Investment Vehicles, opportunities for investments will be allocated among the Related Investment Vehicles in a manner that the Adviser and its affiliates, as well as the respective general partners of the Related Investment Vehicles, believe in their sole discretion to be appropriate given factors they believe to be relevant. Such factors include, but are not necessarily limited to, the investment objectives and focus, geography, nature of the target's business, stage of development of the target's business and anticipated holding period of the target business, portfolio composition, availability of other suitable investments, scale, transaction sourcing, liquidity and reserves, diversification, risk considerations, cash flow considerations, the seniority of a target and other capital structuring criteria, asset class restrictions, target allocations, minimum and maximum investment size requirements, tax implications, consents or authorizations required, legal contractual or regulatory constraints, lender covenants and other limitations of the Related Investment Vehicles, the amount of capital each then has available for such investment and any other limitations imposed by, or conditions set forth in the governing instruments of a Related Investment Vehicle. Additionally, investments sourced by an affiliate of the Adviser that are appropriate for Related Investment Vehicles advised by such affiliate may first be made available to such Related Investment Vehicles. The Adviser makes allocation determinations based solely on the Adviser's expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Related Investment Vehicle in hindsight. Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser has an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons derive, directly or indirectly, higher fees, compensation or other benefits. Notwithstanding the foregoing, the Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by the Related Investment Vehicles or (ii) the profitability of any Related Investment Vehicle. While the Adviser will determine how to allocate investment opportunities using its best judgment and considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that the Funds' actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

The Adviser also reserves the right to make independent decisions regarding recommendations of when the Funds should purchase and sell investments, and the Adviser's affiliates reserve similar rights with respect to the Related Investment Vehicles that they advise. As a result, the Funds may be purchasing an investment at a time when another Related Investment Vehicle is selling the same or a similar investment, or vice versa. The Funds may invest in opportunities that another Related Investment Vehicle has declined, and likewise, the Funds may decline to invest in opportunities in which another Related Investment Vehicle has invested.

Conflicts arise when a Fund makes investments in conjunction with an investment being made by another Related Investment Vehicle, or in a transaction where another Related Investment Vehicle has already made an investment. Investment opportunities may be appropriate for the Funds and another Related Investment Vehicle at the same, different or overlapping levels of a Portfolio Company's capital structure. Conflicts also arise in determining the terms of investments, especially

where the Adviser and/or an affiliate control the structure of a transaction and its capitalization. For example, investments by the Funds in transactions controlled by another Related Investment Vehicle may be subject to investment terms, including with respect to liquidity or governance, that may be more restrictive than those preferable for the Funds if it were investing without a Related Investment Vehicle. As another example, if a Related Investment Vehicle is investing in debt securities, it will have an interest in structuring debt securities that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than the Funds or another Related Investment Vehicle, as an equity owner, desires. In the event one Related Investment Vehicle has a controlling or significantly influential position in a Portfolio Company, it will have the ability to elect some or all of the board of directors of such Portfolio Company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Related Investment Vehicle is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at time, be in direct conflict with other Related Investment Vehicles invested in the same Portfolio Company that do not have the same level of control or influence over the Portfolio Company.

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. In addition, where more than one Related Investment Vehicle of the Adviser (or its affiliates) invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Related Investment Vehicle may realize different returns as compared to the same investment held by another Related Investment Vehicle. These variations in timing may be detrimental to a Related Investment Vehicle. In addition, investors may receive different consideration (for instance, one Related Investment Vehicle may receive cash whereas another Related Investment Vehicle may be provided the opportunity to receive distributions in-kind), which may impact the realized return ultimately received by each Related Investment Vehicle.

There can be no assurance that the return on the Funds' investments will not be less than the returns obtained by other Related Investment Vehicles participating in the transaction.

Employees and related persons of the Adviser and its affiliates may make large capital investments in or alongside other Related Investment Vehicles, and therefore often have additional conflicting interests in connection with joint investments. Such interests will vary and may create an incentive to allocate particularly attractive investment opportunities to the Related Investment Vehicle in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to the Funds. Each of the Adviser and each of its affiliates responsible for making such decisions will determine all matters relating to structuring transactions and capitalizing Portfolio Companies, including the amount and terms of securities and allocation of securities among the Funds and the other involved Related Investment Vehicles, using its best judgment considering all factors it deems relevant, but in its sole discretion.

The appropriate allocation among the Funds and other Related Investment Vehicles of expenses and fees generated in the course of evaluating and making investments often may not be clear, especially where more than one fund participates. For instance, if the Funds and another Related Investment Vehicle are considering making an investment that is not consummated, allocation of the expenses generated for the account of such Related Investment Vehicles (such as expenses of common counsel and other professionals) will be made in good faith. In general, each affiliate of the Adviser responsible for making such decision will participate in the resolution of all such matters using its best judgment, considering all factors it deems relevant, but in its sole discretion.

Further conflicts arise once a Fund has made an investment in a company in which another Related Investment Vehicle has also invested. For example, questions arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, will raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds or other Related Investment Vehicles may or may not provide such additional capital, and if provided, such Fund and each Related Investment Vehicle will supply such additional capital in such amounts, if any, as determined by the Adviser and its affiliates responsible for making such decisions in their sole discretion. Investments by more than one Related Investment Vehicle in a Portfolio Company also raises the risk of using assets of the Funds to support positions taken by other Related Investment Vehicles, or that the Funds may remain passive in a situation in which it is entitled to vote. In addition, the timing of entry into, or exit from, a Portfolio Company for reasons such as differences in strategy, existing portfolio or liquidity needs. These variations in timing may be detrimental to the Funds. Each other affiliate of the Adviser will resolve all such conflicts using its best judgment but in its sole discretion.

Related Investment Vehicles may make investments to finance follow-on acquisitions. Follow-on investments present conflicts of interest, including determination of the equity component and other terms of the new financing. In addition, the Funds may participate in re-leveraging and recapitalization transactions involving Portfolio Companies in which other Related Investment Vehicles have invested or will invest. Recapitalization transactions present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. Each other affiliate of the Adviser will resolve all such conflicts using its best judgment, but in its sole discretion.

Furthermore, a conflict of interest also arises because a Related Investment Vehicle that participates in a follow-on investment in a portfolio company held by another Related Investment Vehicle will benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Related Investment Vehicle and from operational or other information about such portfolio company acquired from the original Related Investment Vehicle's ownership of interests in the portfolio company. In such circumstances, such benefitting Related Investment

Vehicle(s) will not be required to reimburse the original Related Investment Vehicle for expenses incurred in connection with researching such investment. An investment by a Related Investment Vehicle in a portfolio company in which another Related Investment Vehicle invests at a later stage may be made at a higher or lower valuation than the investment in such portfolio company by such other Related Investment Vehicle and an investment by one or more other Related Investment Vehicles in any such portfolio company may dilute the original Related Investment Vehicle's interest in such portfolio company.

The Funds and/or the other Related Investment Vehicles may in many cases own a significant or controlling percentage of the common equity of Portfolio Companies which, depending upon the amount of equity owned by them, any relevant contractual arrangements between such Portfolio Company and the participating Funds and other relevant factual circumstances, could result in an extension of bankruptcy preference periods with respect to payments made to the Funds and/or subordination of its claims to other creditors and/or recharacterization of debt claims into equity claims. In addition, because of their equity ownership, representation on the boards of directors, and/or contractual rights, the Funds and the other Related Investment Vehicles will often be thought to control, participate in the management of or influence the conduct of Portfolio Companies. These factors could expose the assets of the Funds to claims by a Portfolio Company, its security holders, its creditors or governmental agencies.

The Funds may, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, the Funds agree that upon the closing of a transaction with respect to a potential Portfolio Company, it will purchase equity securities in a transaction. Furthermore, in certain instances, the Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, the Funds agree that if a transaction with respect to a potential Portfolio Company is not consummated, the Funds will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity and (b) full guarantee arrangements where a Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Funds (including co-investment vehicles through which employees of the Adviser participate) are generally obligated to pay their proportionate share of the equity purchase price and/or the reverse termination fee, such co-investment vehicles are generally not direct parties to the equity commitment arrangement or limited guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on such arrangement, the Funds would be held responsible for the entire equity purchase price or other applicable obligations.

The Adviser from time to time establishes certain investment vehicles through which certain personnel of the Adviser or its affiliates, or other persons may invest alongside the Funds in one or more investment opportunities. Such vehicles, referred to herein as "co-investment vehicles," generally are created to purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the Funds. Such co-investment vehicles generally do not pay management fees or carried interest. The General Partner may from time to time determine that it is desirable for all or any portion of an investment opportunity to be purchased by third parties, including, without limitation, Limited Partners, investors in any parallel funds, strategic partners, Operating Partners, other investors, such persons acting as finders or brokers of transactions or third

parties. Subject to any specific agreements with a Limited Partner, in general (i) no Limited Partner has any rights, entitlements or priority to participate in any such co-investment opportunity, subject to any other agreement entered into with a Limited Partner that provides such Limited Partner with certain rights in respect of co-investments and investing in a Fund does not give a Limited Partner any rights, entitlements or priorities to co-investment opportunities; (ii) decisions regarding whether and to whom to offer such co-investment opportunities and the terms on which a co-investment is made, are made in the sole discretion of the General Partner and other participants in the transaction, such a co-sponsors; (iii) co-investment opportunities typically will be offered to some and not other Limited Partners, and Limited Partners may be offered a smaller amount of co-investment opportunity than originally requested and a Limited Partner may be offered fewer co-investment opportunities than other Limited Partners in the same Fund, with the same, larger or smaller capital commitments to such Fund,, in each case in the sole discretion of the General Partner; and (iv) third parties (e.g., consultants, joint venture partners, persons associated with a Portfolio Company and other third parties including persons associated with a Portfolio Company and persons who the Adviser believes will provide a benefit to the Fund and/or one or more Portfolio Companies or who provide a strategic sourcing or similar benefit to the Adviser, a Fund and/or a Portfolio Company due to industry or regulatory expertise or otherwise) will from time to time be offered such co-investment opportunities, in the sole discretion of the General Partner. Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Non-binding acknowledgements of interest in co-investment opportunities do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, the Adviser from time to time agrees to give particular investors, Funds, or other third parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect the Adviser's decision to offer certain opportunities for co-investment and could limit the ability of Funds or their investors to be offered certain co-investment opportunities.

The General Partner's exercise of its discretion in allocating co-investment opportunities among Limited Partners and third parties, may not, and often will not, result in proportional allocations among such persons, and such allocations may be more advantageous to some such persons than others. While the General Partner will determine how to allocate co-investment opportunities in good faith, considering such factors as it deems relevant (including, but not limited to, whether the co-investor may invest in future funds sponsored by the General Partner; the ability to participate (in terms of, for example, staffing, expertise and other resources) efficiently and expeditiously in such investment opportunity without harming or otherwise prejudicing the Funds, in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required); the Adviser's evaluation of the size and financial resources of the potential co-investment party; whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide longer-term benefits to the Funds or future funds sponsored by the Adviser and/or the Adviser and/or the applicable Portfolio Company; the character and nature of

the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry); the Adviser's evaluation of its past experiences and relationships with the potential co-investor, such as the willingness or ability of such person to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser; any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity; the level of demand for participation in such co-investment opportunity; the ability of a potential co-investment party to aid in operating or monitoring a Portfolio Company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's chemistry with the potential management team of the Portfolio Company and whether the potential co-investment party has any existing positions in the Portfolio Company; any interests a potential co-investment party has in any competitor of a Portfolio Company; the Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered; the Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which the Funds wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); whether a potential co-investment party will make commitments to invest in other Related Investment Vehicles (including concurrently with the applicable co-investment); whether the co-investment opportunity is being provided in connection with a potential investment or acquisition of interest through a secondary transfer of the Funds (i.e., a stapled co-investment opportunity); and the expected amount of negotiations required in connection with the potential co-investment party's commitment but in its sole discretion).

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. There can be no assurance that the actual allocation of a co-investment opportunity or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the General Partner may be subject, discussed herein, did not exist.

In the event the General Partner determines to offer an investment opportunity co-investors, there can be no assurance (i) that the General Partner will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, (ii) that the closing of such co-investment will be consummated in a timely manner, (iii) that the co-investment will take place on the terms and conditions that will be preferable for the Fund or (iv) that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of the Fund and as a result, may take a different view from the

General Partner as to appropriate strategy for an investment or may be in a position to take a contrary action to the Fund's investment objective. In the event that the General Partner is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

In addition, the Funds may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take action contrary to the investment objectives of the Funds. In addition, the Funds may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Shoreline has established policies and procedures related to the allocation of co-investment opportunities and associated expenses. Investors and prospective investors should refer to the *Fees and Compensation* section above, as well as the Funds' Governing Documents, for additional disclosures related to expenses associated with co-investments.

In limited circumstances, Shoreline's Clients may purchase or sell investments from each other. Such transactions may arise when, for example, a Fund rebalances its portfolios at their final closing, or if Shoreline has warehoused an investment prior to the initial closing of a Fund. For such transactions, Shoreline will ensure that it is in the best interests of the participating Client, follow the requirements set forth in the respective Fund's Governing Document and abide by its policies and procedures related to cross transactions.

Shoreline has established policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund regarding any proposed principal transaction and that any required prior consent of the transaction be received. Shoreline will ensure that any principal transaction is in the best interests of the participating Client, conducted as disclosed in the applicable Fund's Governing Documents, and in accordance with its policies and procedures.

Services required by the Funds (including some services historically provided by the Adviser or the General Partner) may be outsourced in whole or in part to third parties in the discretion of the General Partner. The General Partner has an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of General Partner personnel. Such services may include, without limitation, deal sourcing, information technology, license software, depository, data processing, client relations, administration, custodial, accounting, legal and tax support and other similar services. The decision by the General Partner to initially perform a service for the Funds in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future. Such services may also supplement or be performed alongside services performed by the Adviser. The costs and expenses of any such third-party service providers will be borne by the applicable Funds.

If a service provider provides services to the Funds on the property of the General Partner, the Funds may also be responsible for any overhead, rent or other fees, costs and expenses charged by the General Partner in connection with an on-site arrangement.

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Funds and/or the Portfolio Companies. Such service providers may, in certain circumstances, be investors in the Funds or affiliates of such investors and may include, for example, investment bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to the Funds, or during the term of such investor's investment in the Funds. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in the Funds, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. In addition, the Adviser will have a conflict of interest in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates, will provide other services that are beneficial to the Adviser and/or will provide financial sponsorship of events held by the Adviser (such as transaction closing dinners or outings, or informational summits or training events for the Adviser or portfolio company personnel). The Adviser generally has an incentive to recommend the products or services of certain investors or prospective investors in the Funds to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the Portfolio Companies.

Additionally, employees of the Adviser or its affiliates, and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that the Adviser may have with a service provider can influence the Adviser in determining whether to select, or recommend such service provider to perform services for the Funds or a Portfolio Company. The Adviser will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a Portfolio Company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in a Fund or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. Although the Adviser selects service providers that it believes will enhance Portfolio Company performance (and, in turn, the performance of the Funds), there is a possibility that the Adviser, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. While the Adviser often does not have visibility or influence regarding advantageous service rates or arrangements, there will be situations in which the Adviser receives more favorable service rates or arrangements than the Funds or its Portfolio Companies.

The Adviser or its affiliates and service providers, often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time

demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its Portfolio Companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Funds and/or its Portfolio Companies. Notwithstanding the foregoing, the Adviser generally does not negotiate for any arrangement with a service provider that provides for a lower rate or discount than those available to a Funds or a Portfolio Company for comparable services.

From time to time, certain Funds will incur certain ongoing expenses that benefit a co-investment vehicle or co-investor (for instance, insurance premiums). In such instances, these ongoing expenses will be borne solely by the applicable Fund or Funds and will not be borne by any benefiting co-investment vehicle or co-investor.

The Adviser has in the past and may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, the Adviser and/or Adviser personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including Adviser personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or the Adviser on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Adviser may, from time to time, require, cause or invite the Funds and/or a portfolio company to make contributions to charitable initiatives, or other non-profit organizations that the Adviser believes could, directly or indirectly, enhance the value of the Funds’ investments, assist in completing an acquisition of a portfolio company or other transaction (whether or not documented at the time of such acquisition or transaction) or otherwise serve a business purpose for, or be beneficial to, the Funds or their portfolio company. Such contributions could be designed to benefit employees of a portfolio company, the community in which a portfolio company operates or a charitable cause essential to, or consistent with, the business purpose of a portfolio company. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of the Adviser, portfolio company management teams, advisors, service providers, vendors, joint venture partners, and/or other persons or organizations associated with the Adviser, the Funds or the portfolio companies. These relationships could influence the Adviser’s decision whether to require, cause or invite the Funds or the portfolio companies to make charitable contributions. Further, from time to time, such charitable contributions by the Funds or the portfolio companies could supplement or replace charitable contributions that the Adviser would have otherwise made. Also, in certain instances, the Adviser may, from time to time, select a service provider or other counterparty to the Funds or their investments based, in part, on the charitable initiatives of such person where the Adviser believes such charitable initiatives could, directly or

indirectly, enhance the value of the Funds' investments or otherwise be beneficial to the portfolio companies.

The above conflicts of interests are not intended to be an exhaustive list of conflicts of interests faced by Shoreline or its affiliates. Investors should reference the applicable Fund's Governing Documents for further detail related to conflicts of interests.

Brokerage Practices

As referenced above, Shoreline focuses on managing private equity funds and therefore, given the nature of the investments, does not engage in public securities trading that would involve broker-dealers. However, to meet its fiduciary duties to the Funds, Shoreline has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities in the event Shoreline transacts in public securities, Shoreline will select brokers based on the broker's ability to seek to obtain "best execution" for its Clients. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, Shoreline takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including without limitation general expertise and background, type and size of the transaction involved, the stability or solvency of the service provider or counterparty, settlement capabilities, time required to complete the role sought, research services or any arrangements relating to overall performance in the best interest of its Clients. In addition, Shoreline may consider the use of Electronic Communications Networks ("ECNs") when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, Shoreline generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, Shoreline's CCO will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of Shoreline and each Fund.

Shoreline will not enter into formal soft dollar arrangements with counterparties.

As disclosed in the Funds' Governing Documents, Shoreline will ensure that investment allocations do not favor or discriminate against any Client.

Review of Accounts

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly Shoreline's review of them is not directed toward a short-term decision to dispose of securities. However, the Funds are monitored on a continuous and ad hoc basis, and will formally be reviewed at least quarterly by the Investment Committee. Shoreline's continuous monitoring of

its Clients' investments will typically include regular calls and certain operational and financial reports.

Shoreline will provide its Limited Partners with the Funds' annual audited financial statements as well as periodic reports relating to the Funds' investments. Shoreline and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Client Referrals and Other Compensation

Shoreline generally does not engage directly in client solicitation arrangements. Shoreline engages, compensates, and has entered into an agreement with a placement agent, and may continue to do so in the future, when marketing the sale of interests of its Funds and in accordance with Rule 206(4)-3 under the Advisers Act. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Personnel employed by any placement agents engaged by Shoreline may also be investors in the Funds provided they are "accredited investors" as defined in Regulation D under the Securities Act, and "qualified purchasers" as defined in the Investment Company Act.

Custody

Shoreline is deemed to have custody of the Private Funds' assets because of the authority that Shoreline and/or its affiliated entities have over those assets. In order to comply with Rule 206(4)-2 under the Advisers Act, the Private Funds are audited annually, prepared in accordance with generally accepted accounting principles, and are distributed to each investor within 120 days. The annual audits will be conducted by an independent public accounting firm that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

Investment Discretion

As disclosed in the Governing Documents, Shoreline maintains discretionary authority to determine the investments made on behalf of the Funds. Any limitations on the Adviser's authority are included in the applicable Fund's Governing Documents, side letters (if applicable) and internal policies and procedures.

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Governing Documents of the applicable Fund.

Voting Client Securities

Proxy Voting

The Funds' investments are made in private companies that typically do not issue proxies. However, Shoreline has adopted and implemented written policies and procedures related to proxy voting in the event Shoreline is required to vote proxies on behalf of the Funds (the "Proxy Voting Policy"). In the event proxies are received, Shoreline will exercise proxy votes in the best interest of the

Funds taking into consideration all relevant factors, including without limitation, acting in a manner that Shoreline believes will (i) maximize the economic benefits to the Private Fund and (ii) generally promote sound corporate governance by the issuer. Should Shoreline receive proxies related to a Portfolio Company, the same procedures will apply. Occasionally, Shoreline may be required to exercise a vote for a privately-held Portfolio Company, in which case the same procedures shall apply.

It is Shoreline's general policy to vote or give consent on all matters presented to security holders in any vote. However, Shoreline reserves the right to abstain on any particular vote or otherwise withhold its vote or consent on any matter if, in the judgment of the CCO or the relevant Shoreline investment professional, the costs associated with voting such vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Shoreline will seek to avoid material conflicts of interest between itself and the Funds. The fiduciary duty Shoreline owes to the Funds prohibits the adoption of a policy to enter default proxy votes in favor of board recommendations. However, as is common in private equity, Shoreline may seek and accept the election of one or more Shoreline representatives to serve on the board of directors of its Portfolio Companies on behalf of the Funds and will typically, but not always, vote in favor of board recommendations and may be required to do so pursuant to contractual agreements with Portfolio Companies.

In situations where Shoreline is required to vote the proxy for a company in which Shoreline personnel serve on the board of directors, Shoreline has determined that this does not inherently present a conflict of interest when the sole purpose of this representation is to maximize the return on the Funds' investment in such company. Accordingly, while Shoreline is generally, but not automatically, fully supportive of recommendations made by a Portfolio Company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with the proxy voting guidelines outlined herein and may or may not vote in favor of the board's recommendation.

Upon receipt, the Managing Partner shall determine how to vote the Fund's proxy with the assistance of the relevant deal and investment professionals, as applicable.

Shoreline Personnel must notify the Managing Partner and/or the CCO if they are aware of any material conflict of interest associated with a proxy vote, such as when a Fund owns both equity and debt interests in an issuer. The CCO shall be made aware of all such notifications. If Shoreline detects a material conflict of interest in connection with a proxy solicitation, Shoreline will abide by the following procedures:

- Shoreline may engage Outside Counsel to review the material conflict of interest with the CCO and to make a recommendation. The CCO will be responsible for ensuring that the proxy vote under consideration and identified conflict of interest are communicated to Outside Counsel in a timely manner.

- The CCO will retain documentation of Outside Counsel’s recommendation and will ensure that Shoreline votes the proxy in accordance with that recommendation, as applicable.
- Shoreline will not neglect its proxy voting responsibilities, but Shoreline may abstain from voting if it deems it is in the Private Fund’s best interests.

The CCO or designee will ensure that Shoreline retains proxy voting records in a Proxy Voting Log containing certain required information in connection with each proxy vote.

Class Actions

Shoreline has adopted and implemented policies and procedures related to the Funds’ participation in class actions (the “Class Action Policy”). The Investment Committee will determine whether the Funds will (a) participate in a recovery achieved through a class action, or (b) opt out of the class action and separately pursue their own remedy. Shoreline may also outsource to a third-party vendor the pursuit of recoveries on behalf of Clients. The Investment Committee will also evaluate any material conflict of interest associated with the Funds’ participation of class actions

A copy of Shoreline’s Proxy Voting and Class Action Policy, and specific information about how Shoreline has voted proxies in the past, is available upon written request by contacting Daniel Giddens at giddens@shorelineequitypartners.com.

Financial Information

Shoreline does not require or solicit prepayment of fees more than six months in advance and is not aware of any other events that would require Item 18 disclosure.