

MARKET UPDATE















January 2021 | Volume 21

2020 Key Highlights

- Completed **record 2H'2020 with \$312M of new commitments**, representing 26 transactions with 10 new and 16 existing private equity sponsors.
- Continued leadership of lower middle market buy and build structures with 22 add-ons completed in **financing structures up to \$150M**.
- Received **SBIC license**, bringing firm AUM to \$1.5B, and completed seven investments in Tree Line's SBIC fund.
- Established **ARR lending vertical** and published [technology lending white paper](#).

Recent Transaction Activity

 Pair Soft Software A portfolio company of  December 2020	Unitranche Term Loan  Tree Line acted as Lead Arranger for a first lien credit facility to finance the merger of PaperSave and Paramount WorkPlace ("Pair Soft"). Pair Soft is owned by Turn River Capital.
 Monterey Bay Spice Company Botanicals Processor & Distributor A portfolio company of  December 2020	First Lien Term Loan & Revolver  Tree Line acted as Agent and Sole Lender for a first lien credit facility to support Frontenac's acquisition of the Company. Monterey Bay is a processor and distributor of botanicals, herbs, teas, essential oils, seasonings, and spices.
 VELIR Digital Experience Agency A portfolio company of  December 2020	First Lien Term Loan, Revolver & DDTL  Tree Line acted as Agent and Sole Lender for a first lien credit facility to support the acquisition of Velir by Stella Point Capital. The credit facility included a DDTL to finance an earn-out. Velir provides digital strategy and marketing services in the non-profit, financial services, healthcare and education sectors.
 NINJATRADER* Trading Software & Futures Brokerage A portfolio company of  December 2020	First Lien Term Loan  Tree Line acted as Lender for a first lien credit facility to support an acquisition made by NinjaTrader. NinjaTrader is owned by Long Ridge Equity Partners and provides award-winning trading software and futures brokerage services to active traders.

Jon Schroeder, Managing Partner of Tree Line, said "We're thrilled with our momentum heading into 2021. We had a record second half of 2020 driven by sponsors choosing us for efficiency, transparency and ability to grow. 2021 will be a year of continued growth for Tree Line as a leader in the lower middle market as we deploy new funds and products such as ARR loans."

Target Investment Criteria

Targeted Industries



Company Profile

\$10M+
Revenue

\$3M+
EBITDA

**Sponsored
Non-sponsored**
Ownership
North America
Geography

Loan Structures

\$5-150M
Investment Size

**Senior Secured
Term Loan**
**Unitranche
Term Loan**
Security Type

About Tree Line

Tree Line Capital Partners is a private credit asset management firm focused on direct lending to the lower middle market. The firm provides first lien term loans, unitranche term loans and equity co-investments to lower middle market borrowers with between \$3M-\$30M of EBITDA in North America in transaction sizes up to \$150M. Tree Line currently manages \$1.5B in investable capital, and has completed over 130 transactions for acquisitions, recapitalizations, refinancings, expansion projects and other growth capital needs. Tree Line's team has extensive direct lending experience spanning multiple economic cycles and has generated significant repeat investment opportunities from the private equity community through reliable execution coupled with a direct relationship approach. Tree Line is headquartered in San Francisco with offices in New York, Los Angeles and Austin.

Visit www.treelinecp.com for additional detail.

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