TREE LINE CAPITAL PARTNERS

2021 Annual Report

Evolution of an Asset Class

Private Credit's growth, durability and the rise of the Lower Middle-Market

Our Strategy

A direct lending platform built on relationships

Our Execution

$1.5B

Assets Under Management

Tree line displayed its commitment to transparency in 2020 with all of our investing partners.

$2.3B

Issued Commitments

We have financed 158 companies supporting 50 discrete sponsors that has led to 77 add-on opportunities.

93%

Agent or Lead Lender

We source our own deals and work directly with our borrowers. This gives us an edge on information in a year like 2020.

98%

Employee Rating from "A Great Place to Work"

Our culture is built on collaboration and performance and has thrived in this environment.

Please review pages 26 and 27 for important footnotes and disclosures.

Building a durable credit strategy investors can rely on in all phases of a cycle

Tree Line has taken a data-driven approach to its portfolio construction emphasizing credit themes that have proven to outperform through two major economic challenges

By the Numbers

98%
Senior Secured

100%
Full Covenants

2.9x
Weighted Average Net Leverage[12]

2.7x
Weighted Average Fixed Charge Coverage[13]

ZERO
2020/2021 Defaults

Please review pages 26 and 27 for important footnotes and disclosures.

Delivering Value

Providing access to a growing niche

Lower Middle Market: Going where others don't to uncover value and deliver alpha

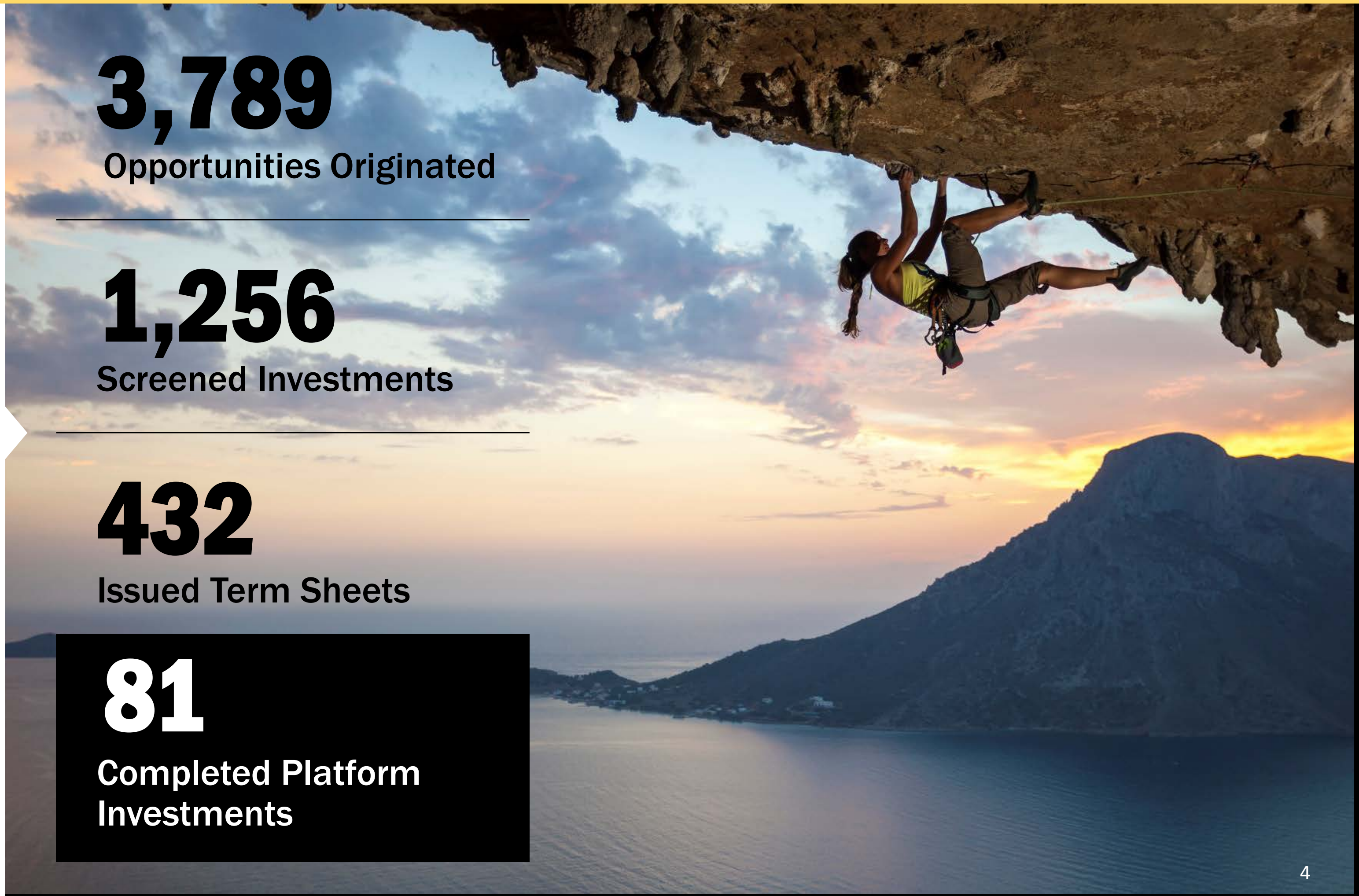
- Vast & Expanding Opportunity Set
- Network of Direct Relationships
- Disciplined & Data-Driven Screening
- Deep Due Diligence & Underwriting
- Active Portfolio Management
- Integrated Technology Backbone

175,000
Companies with between $10 - $100M in Revenue[27]

$176 billion
Raised in Funds < $500M Sine 2016[19]

$162 billion
North American Middle Market PE Dry Powder[26]

48%
Of PE Deals Completed Between $25 - $100M in Size[19]



3,789
Opportunities Originated

1,256
Screened Investments

432
Issued Term Sheets

81
Completed Platform Investments

Please review pages 26 and 27 for important footnotes and disclosures.

In this Year's Issue

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2021 Annual Report

TREE LINE
CAPITAL PARTNERS

TREE LINE

Annual Letter

To Our Investors,

June 2021

At this time, a year ago, we issued our 2020 Annual Report and held our Annual Meeting following the first 100 days of the pandemic. We shared optimism and confidence based on the intimate work that we were doing with our portfolio companies. We conveyed to you that the decisions we made at the peak of the cycle had positioned us well to withstand all that had occurred by that date and all that would lie ahead. A year later, with four quarters of reporting in since the pandemic began, we can conclude that our strategy to deliver investors yield in disciplined senior secured structures is durable. We delivered consistent yield and capital preservation throughout a highly volatile market and world crisis which lives up to our number one commitment to investors, delivering consistent performance in all phases of a cycle.

Due to the strong performance and durability of our portfolio, Tree Line remained healthy and liquid throughout 2020. We were able to focus our energy on growth in the midst of the crisis, and expand our platform, products and team. In the last twelve months we have increased our assets under management to $1.5 billion and established an SBIC fund in September of 2020. We grew the fair market value (FMV) of our portfolio to $1.2 billion while adding nine new sponsor relationships in the second half of the year to achieve record origination. We launched an annual recurring revenue (ARR) loan product and have since closed our first two ARR deals in the first quarter of 2021. We added three team members in 2020 and five in the last 12 months while establishing a presence in Austin, TX with a team of four that will continue to grow. With all of 2020's challenges and volatility, Tree Line still delivered record performance across the board to put the firm in its strongest position since inception.

Durability, Discipline & Growth

Ultimately, every element of our strategy and underwriting eco-system played a critical role in our success. Our portfolio construction is centered on combining yield with discipline. Since our inception in 2014, we have invested $2.3 billion to finance 158 companies. Our portfolio construction prioritizes the fundamentals – senior secured, low leverage, high free cash, full covenants, sponsor backed companies in cycle durable sectors. Through our own research and nearly 20 years of direct lending experience, we systematically eliminate risk areas that present a higher likelihood of default – second lien, covenant-lite and volatile sectors (i.e. Oil & Gas and Retail). The lower middle-market delivers us a real advantage with the vast majority of lenders competing in the upper middle-market and middle-market. As markets became frothy in these segments late cycle, we became more selective. We published a Market Insight paper in January 2020 and stated the following,

> ***"We will be the last to predict when a market will shift but we will acknowledge that it can happen quickly. To that end, we will remain relentlessly focused on the fundamentals to ensure our portfolios are well positioned to perform through any uncertainty that lies ahead."***

While we never could have imagined that a pandemic would lie ahead, we were prepared all the same.

As of March 31st, 2020, we managed a $900 million portfolio across 37 borrowers, and we have grown that to $1.2 billion across 50 borrowers as of June 15th, 2021. The growth in our portfolio can largely be attributed to the health of our portfolio. There is a saying in sports that good defense can unlock good offense and that is certainly the case here. Tree Line remained healthy and liquid, not for any specific actions we necessarily took in 2020, but for all the collective actions we took in the years prior. If we look at performance for the pandemic impacted period, which we will define as January 2020 through the date of this letter, our portfolio has performed exceptionally well. We have had a default rate of 0.0%, funded zero rescue dollars, and continue to have 100% of our portfolio companies operational and making cash interest payments.

Ultimately, fundamentals matter and they matter most late in the cycle. While we are very pleased to report the durability and strength of our portfolio to you, our focus has already shifted to the current environment and the role we expect to play in the next decade of private credit.

New Vintage – New Challenges – Same Fundamentals

A new vintage of deals started to take shape in Q3 2020 and was in full swing by Q4 2020. Private equity firms accelerated investment activity in the second half of the year and that momentum has carried into 2021. This momentum has thrust the private credit market back to its peak of market 2019 mentality. The upper middle-market and middle-market are issuing new loans with aggressive terms. This recovery, at least from a private markets perspective, is moving at a much faster rate than what occurred following the Great Financial Crisis ("GFC"). The lower middle-market, however, has continued to provide an ocean of opportunity in disciplined structures where terms have not drifted due to competitor pressure.

Since June 30th, 2020, Tree Line has issued over $747 million in commitments (proforma for Q2 2021) with an additional $126 million under mandate as of the date of this letter. The weighted average net leverage, loan-to-value and fixed charge coverage for these loans are 3.3x, 43% and 2.7x, respectively. This outperforms every vintage since our inception in 2014. We continue to receive full covenants and are benefiting from sponsors, perhaps still playing a bit of deployment catch up within a highly competitive market of their own, writing large equity checks to support their deals.

What has been most surprising to us over a year into the pandemic is the number of companies that achieved record performance in 2020. Companies that simply benefited from a COVID-bump, which we are seeing in businesses benefiting from demand spikes due to a major changes in work and life patterns as a result of the pandemic. This is an area that we are paying close attention to as we believe the patterns of 2020 are not sustainable and for the same reason certain companies expect to rebound, we believe some companies will see a decline as our country, and ultimately the world, returns to a non-pandemic environment.

At Tree Line, we continue to use a pre-COVID performance benchmark to measure the current health of a company. In most cases the benchmark is set off 2019 and we want to see what percentage of the benchmark companies are currently performing at. We believe our sector focus on tech-enabled services, software and healthcare services will naturally guide us to businesses built around predictable demand drivers and weed out many of the COVID bump beneficiaries. There is risk in both underperforming and outperforming the benchmark and that ultimately guides our diligence strategy. The key takeaway is we need to exercise underwriting caution when evaluating peak EBITDA levels that may be unsustainable due to atypical or one-time spikes in sales.

Market Share & Relationships

Tree Line has built its platform over the past eight years on the basis of direct relationships. Our market share continues to expand as we are a leading provider of capital to sponsors in the lower middle-market.

We have now closed deals with 50 sponsors, actively sourced deals from over three hundred, and closed deals with 17 new sponsors in the last 12 months.

In most cases, this is the result of a multi-year direct calling effort where we have reviewed numerous deal opportunities to build a relationship. The expansion of our sponsor relationships is the best indication of our future growth potential. Lower middle-market sponsors are a great source of re-occurring deal flow due to their desire to have efficient and reliable sources of financing. Of the 50 sponsors we have worked with, we have closed 81 platforms benefiting from a strong established relationship. Further, add-on acquisitions are a vital component to lower middle-market sponsors delivering Tree Line a consistent and material source of proprietary deal flow. Of the 158 companies we have financed since inception, 77 have been to support an existing borrower's acquisition of an add-on.

Maintaining Consistency While Growing Share

Disciplined Approach
focused on fundamentals

- **Senior Secured Focus**
- **Sensible Loan Structuring**
- **Significant Cash Equity Cushions**
- **Cycle-tested Borrowers**

Record Deployment
achieved through the pandemic

LTM Activity as of 6/30/21

$741 million
Issued New Loan Commitments

Twenty-four
New Portfolio Borrowers

Seventeen
Transactions with New Sponsor Relationships

Consistent Results
delivering value to investors

Portfolio as of 6/15/21

$1.2 billion
FMV Portfolio

36%
Growth since 1/1/2020

2.9x
Wtd. Avg. Net Leverage[12]

39%
Loan-to-Value

Growth in private equity has delivered an incredibly large and diverse market for Tree Line to cover. For all the concerns over private credit growth, we have out-originated our capacity, having completed over $470 million in syndications to club partners in deals Tree Line leads but is limited based on hold size. Our firm origination has consistently grown without sacrificing discipline, resulting in consistent portfolio leverage, yield and overall credit quality. Our market reputation has never been stronger as we remain highly relevant to any lower middle-market sponsor seeking financing solutions.

ESG Culture & Opportunities

Over the past year we have put a significant effort behind our ESG commitments and policy. First, we have worked hard to embed these principles into our culture to truly connect our team to the importance of these initiatives. Our work with 1% for the Planet has resulted in establishing three direct relationships with environmental non-profits. We have made donations to these groups and their causes while engaging with their teams on future opportunities where we can collaborate.

Additionally, our team led an initiative to establish a relationship with Upward Bound, a program that works with high school students who are first generation in their family on track to attend college.

This has launched a series of mentorships across our team, and we expect to be able to offer in-office internships once we are able to host students. We are very pleased with the actions our team has taken as it connects our corporate culture to the ESG work we are doing across our portfolio.

From a portfolio perspective, we have implemented an ESG screen for every deal where both positive and negative ESG attributes are reviewed. We have historically avoided sectors that we believe present a detrimental impact to the environment or society. Our data and capabilities will continue to evolve further aiding our ability to successfully manage and improve our ESG policy. Further, we believe our presence in the lower middle-market presents us with unique opportunities to explore specific ESG focused fund strategies.

Team, Technology & Operations

Tree Line, in its eighth year of operations, continues to invest in its infrastructure to support a growing platform. In May 2020, Tina Badciong joined us as Chief Financial Officer and established our presence in Austin. Since then, we have added three additional people to the Austin team working across loan servicing, accounting and asset management.

Our financing & operations platform continues to develop in line with our growth taking a balanced approach between building dedicated Tree Line resources and utilizing best in class service providers. Our direct lending model, where we are currently agent or lead lender on 93% of the loans in our portfolio requires a dedicated team to work closely with our borrowers. Additionally, we have partnered with State Street Global Asset Management to provide fund accounting and administration services to bring significant scale and bandwidth to our team.

We continue to invest in our loan servicing and asset management software, AllVue, to customize reporting capabilities which are specific to our platform and products. These investments and initiatives we have taken on over the past seven years have been critical to maintaining our priority to lead and agent our own deals. Further, our team prioritizes data and have placed focus on building a system that allows us to evaluate and analyze custom reporting. It is imperative to us to be able to build customized reports in real-time to understand the trends of our investments. We believe the operations footprint we have put in place will continue to scale as we work towards our growth objectives.

ESG: *Embedded In Our Culture*

Developing a Holistic Approach to ESG

Screening	Monitoring	***Partnerships***
All Prospective Borrowers Screened & Evaluated Against a Comprehensive ESG Factor Matrix	Expanded Account Management Practices to Include Quarterly ESG Evaluations	Partnering with Environmentally and Socially Focused Organizations to Advance Our ESG Goals

2020 ESG Actions

- ✓ Signatory to UNPRI
- ✓ Formal ESG deal screening implementation assessing positive and negative attributes
- ✓ Data collection on financing impact to minority, veteran and women owned businesses

2021 ESG Initiatives

- Formal implementation of sector exclusion list to ESG Policy
- Further data collection and monitoring of borrowers for post-close ESG compliance
- Corporate on-site work with 1% for the Planet partners
- Further assessment of ESG lending opportunities

Partnering for Change

1% FOR THE PLANET — MEMBER —

ADVENTURE SCIENTISTS EXPLORE. COLLECT. PROTECT.

WILDCOAST COSTASALVAJE

LOS PADRES FORESTWATCH

UPWARD BOUND PROGRAM TRiO

Our historical investment and commitment to technology aided us greatly throughout 2020 and the work-from-home environment. As our team begins to come back to our offices, our culture has strengthened providing employees greater flexibility while improving firm productivity. We have achieved record performance and have seen our employees reach new professional heights in their careers while managing the many distractions that came with the pandemic. Our firm intends to take a hybrid approach where we will utilize a balance of both in-office and work-from-home alternatives for employees.

Private Credit's Maturation & Growth

There is no topic we spend more time thinking about than the maturation and growth of our own asset class. We have been lenders to lower middle-market and middle-market companies since 2002 and have witnessed incredible change over that period. Private credit has experienced tremendous growth over the last 20 years and has become a main stay in institutional portfolios. The strategy gathered momentum in the mid-2000's before the Great Financial Crisis took the wind out of most sails, at least temporarily. What followed can only be described as explosive growth where private credit platforms filled in for what the banks left behind. For years, private credit managers would point to massive bank consolidations and exits leaving a prime opportunity to capture alpha. This pitch, compounded by the hunt for global yield, sent private credit and specifically direct lending on a significant growth run which has resulted in $1 trillion in assets under management[19] by 2020. However, along the way, the asset class has matured and even become commoditized within the market's largest segments.

As we prepare for the next decade of private credit, the demand for yield remains, but the maturation of the asset class requires a closer examination of current trends in an effort to distinguish which managers truly generate alpha. The analysis performed just a few years ago may be stale in a market that requires segmentation to understand the evolving opportunity set. While the overall results of 2020 reinforce the resiliency of the asset class in the face of economic distress, stark differences have surfaced between the upper middle-market, the middle-market, and a growing lower middle-market. With 53% of all private credit capital raised in 2019 going to 20 managers[26], commoditization of the upper middle-market is the consequence. It is most observable through the emergence of managers fighting for very large transactions, resulting in the continued rise in both leverage and cov-lite structures, while additional risks lurk in credit agreements as terms loosen.

The lower middle-market, however, has emerged as a compelling alternative within the asset class having benefited from significant private equity growth and an underserved market. Niche and lower middle-market strategies remain overlooked with too many investors concentrated up market with an outdated playbook. With critical performance data in from 2020, there is a compelling case to be made to investors to reassess allocation strategy and segment the asset class in a similar manner as private equity. Preqin data shows that over 70% of all private equity funds currently in the market are targeting funds less than $250M, whereas over 60% of all private equity capital raised is within funds targeting over $500M fund sizes[25]. This has created significant fragmentation among lower middle market private equity managers, increasing the available transaction pool for lenders focused on this market. This next decade will require a shift in mindset should investors aim to maintain the disciplined approach to private credit involving a differentiated risk-return opportunity that initially attracted them to the asset class.

Performance & What the Data Tells Us

The current environment provides a unique opportunity to study performance across managers, sectors and market segments. While the markets may have enjoyed a swift recovery, it would be wise to look closely at performance, and more importantly, what drove performance and differentiation across private credit managers. Tree Line will study this carefully to further inform our investment approach.

We have had two major economic events in the 21st Century. The optimist in us believes that this provides incredibly valuable performance data to aid our underwriting going forward. The impact from COVID-19 followed a decade of virtually uninterrupted growth across private credit. Other than sector specific issues such as Oil & Gas and Retail, it was hard not to find success. The COVID-19 pandemic now provides critical data to assess performance following 10 years of growth in a largely strong and expanding economy.

At Tree Line, we have taken a data-driven approach to both our portfolio construction and underwriting. Three themes standout to us when we research market performance across direct lenders – seniority, covenants and sector selection. Each of these have meaningfully contributed to the success or challenges of direct lenders during GFC and COVID-19.

First lien term loans have outperformed second lien and cov-lite term loans for over 30 years. Based on bank loan recovery rates since 1987[24], first lien term loan recoveries are 75% versus that of second lien and cov-lite at 52% and 65%, respectively. The Cliffwater Direct Lending Index[20], which registered a 5.5% Total Return in 2020 underperformed the Senior only index by 1.8% which is material to credit returns. The cost of exposure to subordinated securities such as second lien and mezzanine is apparent in these results.

Tree Line has performed research to look beyond its own portfolio to better understand where other lenders have faced challenges. We have built a database of "bad loans", which includes all loans marked under 80% of cost, across all BDCs. Oil & Gas, Retail, Travel, Tourism lead with the largest percentage of deals marked below 80%. While Travel and Tourism may get a pass due to the pandemic, Oil & Gas and Retail have been causing problems within direct lending portfolios for decades.

At Tree Line, senior secured, full covenant structures in cycle-durable sectors carry great weight in our portfolio construction.

As the upper middle-market and middle-market continue to commoditize through the pressure of successful fundraising, it leaves Tree Line in a unique position to continue to offer value through its focus on the lower middle-market.

We feel no pressure to shift towards higher risk strategies that have historically been proven to underperform. The short-term pick up in yield often lures a manager into these areas but the long-term cost in return is a very poor trade off.

Our Role Within a $1 Trillion Asset Class

As we witness tremendous growth within private credit, we ask ourselves what role do we endeavor to play for investors? Growth in private credit is only set to continue with the $1 trillion asset class projected to reach $1.5 trillion by 2025[19]. On an on-going basis, we examine the trends and changes occurring within the asset class to gain a renewed focus on our investment strategy.

We will play a unique role for our investors and be a strategic asset within their private credit portfolios able to deliver on the two most sought-after components in credit – yield and capital preservation.

Niche Market Access

- **LMM is a diverse and highly fragmented market of sponsors and borrowers that continue to make decisions on the basis of relationships**
- **Tree Line maintains leading market share providing deep access to the LMM segment**
- **LMM credit fundamentals offer portfolio enhancement to investors invested with upper middle-market managers**

Durable performance when it matters most

COVID Period Performance

Zero
Payment Defaults

Zero
Rescue Financings / Protective Advances

31%
Increase in Portfolio EBITDA Since Jun-20

0.6x
Decrease in Portfolio Net Leverage Since Jun-20

100%
FMV Portfolio Maintaining Cash-Pay Interest

0.6x
Increase in Fixed Charge Coverage Since Jun-20

3.9%
Decrease in Portfolio LTV Since Jun-20

100.5%
FMV of $1.1B Portfolio as of Mar-20[28]

Tree Line will continue to deliver its investors niche credit solutions built on direct relationships. We will provide our investors access to a segment of the market that has tremendous value and transacts on relationships versus capital markets desks. We have focused on an enterprise value-based segment of the market that is both durable and increasingly pursued by private equity investors. The weighted average enterprise value across our portfolio today is $130 million, but at initial underwriting was $54 million, driven by both organic growth and add-on acquisitions. Over the course of a typical loan term, the average Tree Line borrower has doubled EBITDA. Our lower middle-market focus is strategic, in that we build relationships with both sponsors and borrowers when their businesses are not large enough to attract true middle market capital (usually less than $15 million of EBITDA) but are being purchased and professionalized by seasoned investors. As sponsors' portfolio companies mature and grow, the initial relationship we struck enables us to carry favorable terms forward as we finance these companies into the middle-market.

Niche, focused strategies will differentiate lenders across the asset class in the next decade and enable outperformance against the commoditized products that live in the upper middle-market and middle-market. While all market segments will play a role within portfolio allocation for investors, the lower middle-market will emerge as a key ingredient in maintaining historical yield targets. Within this segment, Tree Line will be instrumental in delivering attractive solutions to investors. Our belief is that our ceiling is high, and our runway is long, but our strategy is built on relationships which will continue to allow us to grow our market share.

Our Commitment

With performance results from 2020 now in hand, a year that challenged all asset classes, we have tremendous confidence in our platform, team, and strategy. The disciplined approach we took at the peak of the cycle delivered durable current yield to our investors. The private credit asset class will be viewed as a success story, but we believe there will be differentiation for those that look closely. While the market recovery from COVID-19 has been swift, it does not guarantee the next recovery will be so kind. This remains in focus at Tree Line and we will continue to deliver value to investors through combining yield with discipline. Now more than ever, it is critical to view private credit through its market segments. For us, the lower middle-market just makes sense. We build portfolios that are senior secured, low leverage, high free cash, sponsor backed and with full covenants. It is the durability we believe investors are seeking alongside compelling yield solutions.

Our platform, brand, team, and culture are thriving and poised to expand on the successful work we have done to date. We remain highly appreciative of the support our investors have shown us and are very excited by the work we can continue to do together. The next decade of private credit will look different than the last and we are excited about the role we can play for investors.

Sincerely,

Tom Quimby
Managing Partner

Jon Schroeder
Managing Partner

Frank Cupido
Partner

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Looking Back

Private Credit
A Growth Story

A Brief History: 20 Years of Direct Lending

Segmenting the Market

Opportunity in the Lower Middle Market

A Brief History

20 Years of Direct Lending

Formative Years
(2000 – 2003)

- Few direct lenders with banks being highly active in leveraged loans
- First lien senior secured & mezzanine two tranche structures dominate
- Reasonable 3-3.5x senior/4-4.5x total leverage structures

Second Lien Surge
(2004 – 2007)

- Second lien arrives with significant institutional demand from CLOS and BDCs
- Leverage driven higher with 1^{st} lien/2^{nd} lien structures displacing senior/mezzanine
- Borrowers benefit from lower cost of capital structures drives private equity growth
- The lower middle-market had yet to meaningfully develop across private credit or equity leaving most small companies under or unbanked

Great Financial Crisis
(2008 – 2009)

- Significant volatility across all asset classes
- BDCs suffer 7.7% in realized losses during two-year period (more than the next six years combined)[20]
- Second lien, high leverage structures and cyclical sectors suffer disproportionate losses
- Banks begin to retrench through closure and consolidation paving the way for explosive private credit growth

Post Crisis Growth
(2010 – 2014)

- Private credit managers capitalize on banks pulling back and promise investors “alpha”
- 10,000 commercial banks in 2002 shrinks to 6,000 in 2014
- BDC is a vehicle of choice with assets tripling from 2011 to 2015 rising from $25B to $75B (and $130B by 2020)
- Direct lenders benefit from historically reasonable structures in a benign segment of the cycle

Maturation
(2015 – 2019)

- Private credit continues to raise capital at record levels and begins to commoditize with 53% of the capital raised in 2019 going to 20 managers[25]
- Upper & middle-market managers slash fees and capitulate to a commodity product while pushing record deployment to combat declining management company revenue
- Lower middle-market gains attention through proliferation of growth from private equity with $176B being raised in funds less than $500M since 2016[19]
- Market segmentation becomes a necessity to properly assess the private credit market

COVID Pause & Growth
(2020 – Present)

- COVID-19 halts virtually all direct lenders in Q2 2020 before returning to growth in Q3 2020
- Offers investors an opportunity to examine the performance of both managers and market segments with valuable data in hand that has not been present since 2010
- Lenders with a focus on senior secured structures in durable sectors outperform

Market Analysis

Finding the Sweet Spot

Segmenting the Market by Enterprise Value

We often encourage investors to examine the private credit market through market segments. Most traditionally, this places focus on the lower middle-market, the middle-market and the upper middle-market. However, another approach to examining direct lending trends is to look at the market opportunity through enterprise value segments.

At Tree Line, our goal is to take a historically conservative and proven approach to our portfolio construction while aiming to lend to highly durable companies. We meet our objectives through focusing primarily on the $50 - $150M enterprise value segment of the market. This equates to companies that can range between $5 and $15M in EBITDA. Over 90% of the $2.3B we have financed since inception has been to companies with less than $15M of EBITDA at close. Importantly, Tree Line's current weighed average enterprise value across all portfolio companies is $130M, and the average borrower's age is 25 years which speaks to scale and the durability of the companies we are targeting. It is this lower middle-market segment that delivers us favorable credit metrics and a resilient borrower.

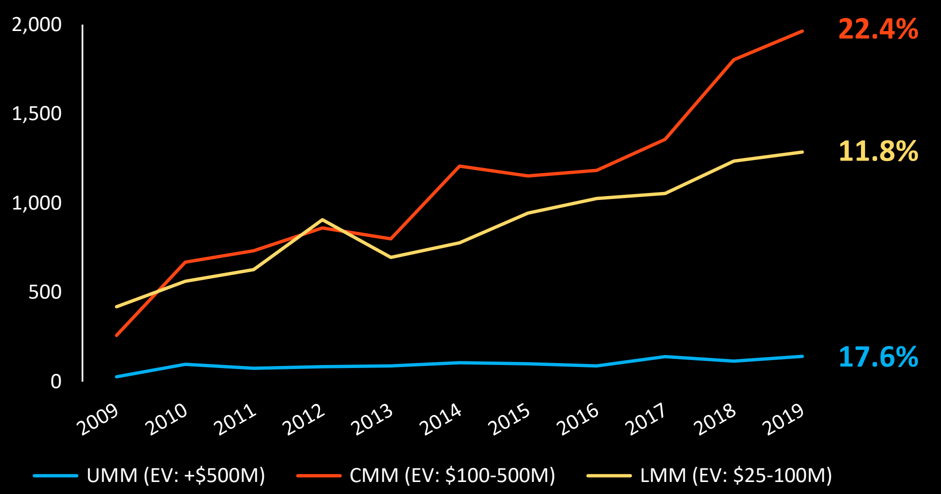
		Tree Line Targeted Segments			
	Small Business	Lower Middle Market		Middle Market	Upper Middle Market
Size: Enterprise Value	Less than $25M	$25M to $50M	$50M to $150M	$150M to $500M	+$500M
Size: EBITDA	Less than $3M	$3M to $7M	$7M to $20M	$20M to $50M	+$50M
PE Sponsor Deal Volume	Limited	Medium	High	Medium	Modest
PE Sponsor Strategy	–	Growth & Multiple-Arbitrage: *Buy & Build / Roll-Up / Growth*		Cost Management & Financial Engineering	
Institutional First Lien Loan Market					
Institutional Participants	Limited / None	Private Direct Lenders / SBICs / Mezzanine	Private Direct Lenders / SBICs/ Mezzanine / BDCs	BDCs / CLOs / Loan Funds	CLOs / Loan Funds / Insurance Cos
Distribution Model	–	Direct Origination / Relationship Lending		Agented (Auction Clubs)	Agented (Broad Syndication)
Lender Competition	–	Modest	Medium	High	Very High
Lending Terms Quality	–	High	Medium	Fair	Poor
Spread Range	–	650 bps to 900 bps	550 bps to 750 bps	450 bps to 600 bps	350 bps to 550 bps

Market Analysis

Opportunity in the Lower Mid-Market

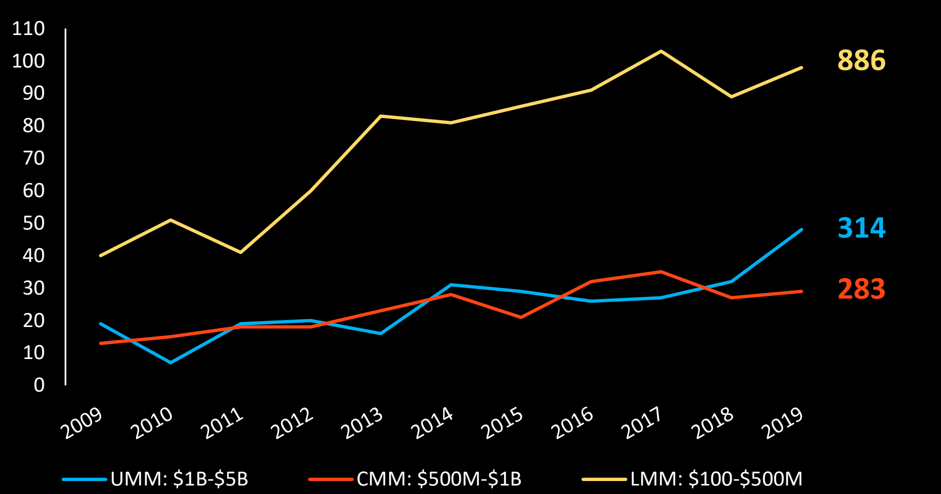
PE Deals Closed (Count by EV Size)[19]

10-Year CAGRs



PE Funds Closed (Count by Fund Size)[19]

10-Year Aggregate



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95%

US LBOs Closed with Deal Sizes of Less Than $500M Since 2009[19]

16.9%

10-Year CAGR of US LBO Deal Volume for Transactions of Less Than $500M[19]

$2.8T

Total Value of LBO Transactions of Less Than $500M Closed Since 2009[19]

60%

PE LBO Funds Raised Since 2009 Sized $100M to $500M[19]

$186B

PE LBO Capital Raised Since 2016 in Funds Sized < $500M[19]

Targeting a growth segment for the next decade

Key to the growth and maturation of direct lending as an asset class is the tremendous increase in number of lower middle market private equity firms. Although "megafund" sponsors have commanded an increasing amount of private equity fundraising dollars, several factors have contributed to a significant increase in the private equity sponsor pool pursuing transactions. First, fierce competition in the middle and upper middle-market have made the lower middle-market more attractive for private equity managers, many of which have branched off from larger firms to form new firms. Portfolio companies can be acquired at more reasonable initial valuations (usually in the 7-9x EBITDA range versus 10x+ for upper and middle-market businesses), creating multiple arbitrage opportunities. Preqin data shows that the strong majority of firms in market today are targeting funds less than $500M.

Lenders focused on the middle-market and upper middle-market contend with the same fierce competition as their private equity partners. Direct Lending Deals notes that there are now eight private credit managers capable of holding deals of $400M or greater. This has created a deterioration in terms, with nearly half of all US LBO activity involving leverage greater than 7x according to Bain. The lower middle market provides the inverse situation, in which fewer lenders focus on a larger pool of private equity sponsors to generate dealflow. This resultant fragmentation has created a favorable supply / demand dynamic for lower middle market lenders targeting smaller private equity funds.

Tree Line has sourced deals from 290 sponsors and closed deals with 50 discrete sponsors (nearly 40% of which have completed a second transaction with Tree Line).

COVID-19

2020 & the Cycle Impact

Charting the Recovery: GFC vs. Covid-19

Portfolio Construction: Late Cycle Choices

Tree Line Portfolio Durability

Cycle Analysis

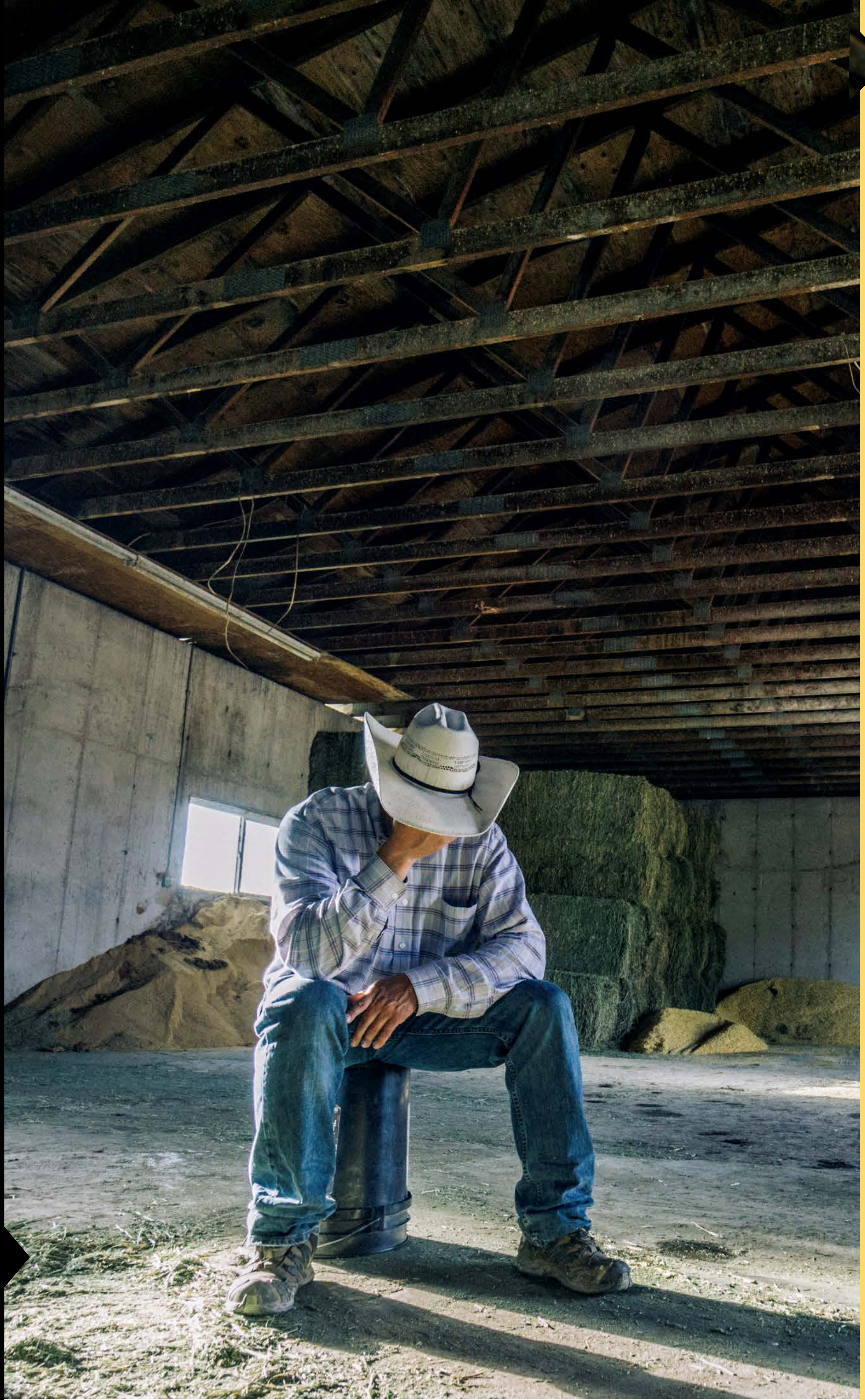
GFC vs COVID

A tale of two recoveries

In early February 2020, the market began to show signs of weakness as the spread of COVID began to take over the global news cycle. By the time the World Health Organization declared a global pandemic on March 11th, 2020 markets were in a free fall with the DJIA declining to 18,591 and the LSTA yield peaking at 13.1% by March 23rd. The severe and accelerated declines in market values where a stark reminder of the Global Financial Crisis, although they would prove to be short-lived in comparison. The U.S. government acted quickly, and well capitalized investors gained confidence that another protracted recession was perhaps less likely than initially thought.

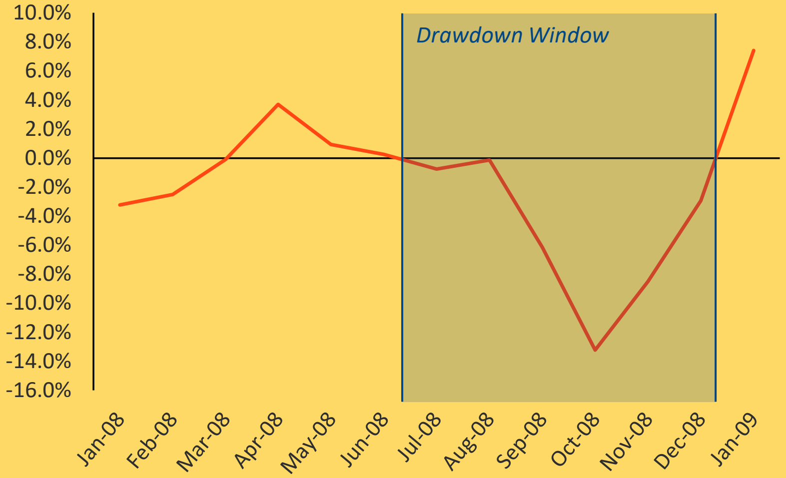
The LSTA total returns during the GFC remained in negative territory for nearly 6 months compared to the COVID market which snapped by in just 6 weeks. Realized losses across the BDC universe told a similar story. BDC's experienced realized losses of ~7.7% during the GFC compared to 3.3% in total realized losses during the COVID pandemic.

The losses that did occur as a result of the COVID epidemic tended to be driven by sector selection, subordination and lack of liquidity and sponsorship. Tree Line entered the COVID era with a portfolio that was 98% senior secured, comprised of cycle durable high free cashflow companies and strong private equity support. As a result of this portfolio construction approach, Tree Line incurred 0.0% default rate in 2020 and 2021 to date and 0.0% realized losses due to COVID.



The Great Financial Crisis

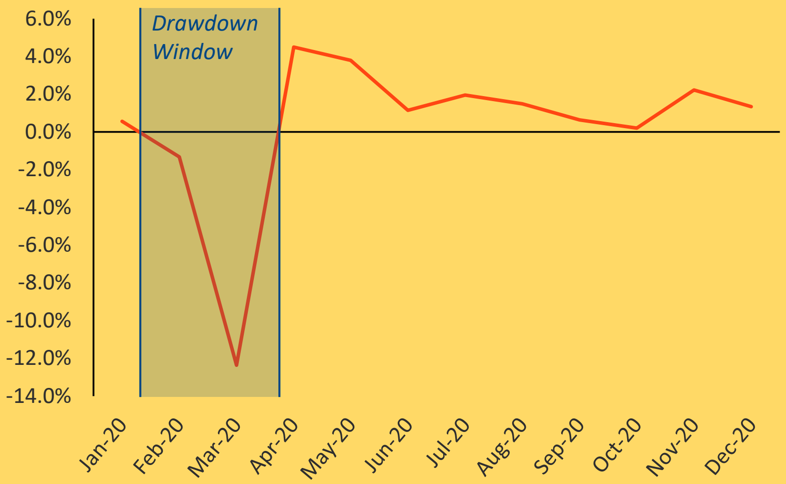
LSTA Total Return Index[23]
(Jan 2008 – Jan 2009)



GFC Drawdown Duration: 6 months

The COVID-19 Crisis

LSTA Total Return Index[23]
(Jan 2020 – Dec 2020)



C-19 Drawdown Duration: 6 weeks

Cycle Impact

Late Cycle Choices

Decisions at the Peak Impact Performance at the Trough

Direct lenders initially aimed to fill in the void left behind by the banks while delivering investors alpha. Yield and capital preservation is what attracts most investors to private credit yet as the asset class has matured the menu of options available to direct lenders has elevated risk and is often differentiating when evaluating performance of one manager against the other.

Tree Line has adopted a portfolio construction strategy that is historically conservative and proven through two major economic events. Our focus is on first lien, low leverage, full covenant, sponsor backed businesses in cycle durable sectors. We have been able to successfully and consistently execute this strategy since inception given our focus on the lower middle-market segment which remains overlooked by lenders while significant private equity growth has occurred.

In other market segments, lenders are tempted to select and implement higher risk elements to their portfolio. The challenge is that many managers elect to make these decisions in the late stage of the cycle which puts the risk on at the closest point to the next correction or market challenge harming returns.

Indicators of GP Incentives & Priorities	Capital Preservation ✓	Asset Accumulation/ Yield Seeking ✖
Seniority / Priority	Sr. Secured / First Lien ✓	Second Lien / Mezzanine ✖
Asset Leverage	Conservative / Stable ✓	Aggressive / Scaling ✖
Origination Strategy	Direct / Relationship ✓	Auction-Based / Broadly Syndicated ✖
Covenants	Full Maintenance Packages ✓	No Maintenance Packages *(Cov-Lite)* ✖
Document Quality	High Quality / Consistent ✓	Market-Driven / Variable ✖
Sector Selection	Targeted / Non-Cyclical w/ Strong Free Cash Flow ✓	Variable / Non-Targeted ✖
Borrower Profile	Proven / Performing ✓	Storied / Turn-Arounds ✖
Equity Structure (Strategy)	Meaningful Cash Equity (Quality/Growth) ✓	Thin Equity Structures (Value) ✖
Use of Proceeds	Primarily Change of Control, Acquisitions, or Growth ✓	Meaningful Share of Dividends / Minority Recaps ✖
Fund Vehicle Leverage	Conservative (<1.2:1.0) ✓	Aggressive (>1.5:1.0) ✖

Portfolio Construction

Discipline & Durability

Tree Line Portfolio Performance Update

Maintaining a Disciplined Portfolio Construction Strategy

Tree Line's commitment to building a durable portfolio at the peak of the cycle delivered great benefits in 2020. Since inception, we have consistently avoided elements of direct lending that historically have been shown to have a higher likelihood of default or a lower likelihood of recovery. Our portfolio construction strategy has been built on delivering investors durable yield in disciplined structures.

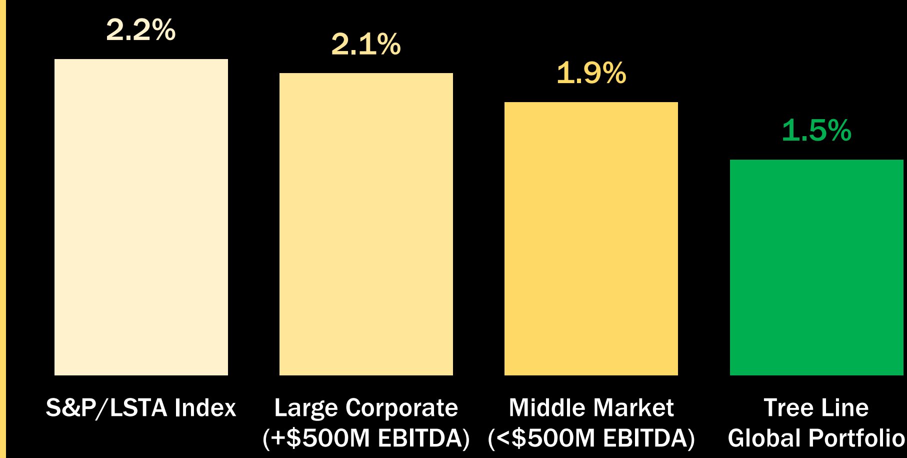
	Pre-COVID 3/31/2020	Current 6/15/2021
Portfolio FMV	$900 million	$1.2 billion
Sr. Secured	98%	98%
Wtd. Avg. TTM EBITDA	$12 million	$16 million
Net Leverage	3.4x	2.9x
Fixed Charge Coverage	2.1x	2.7x
Cov-Lite	Zero	Zero
Sector Risk	Low *No Oil & Gas, Retail, or Tourism*	Low *No Oil & Gas, Retail, or Tourism*
Sponsor-Owned	32 of 36	46 of 50

As the market volatility from COVID-19 continues to subside, there are new underwriting challenges in our focus. Our formula to remain focused on senior secured, low leverage, high free cash, full covenant, sponsor backed businesses in cycle durable sectors will continue to be at the center of our strategy.

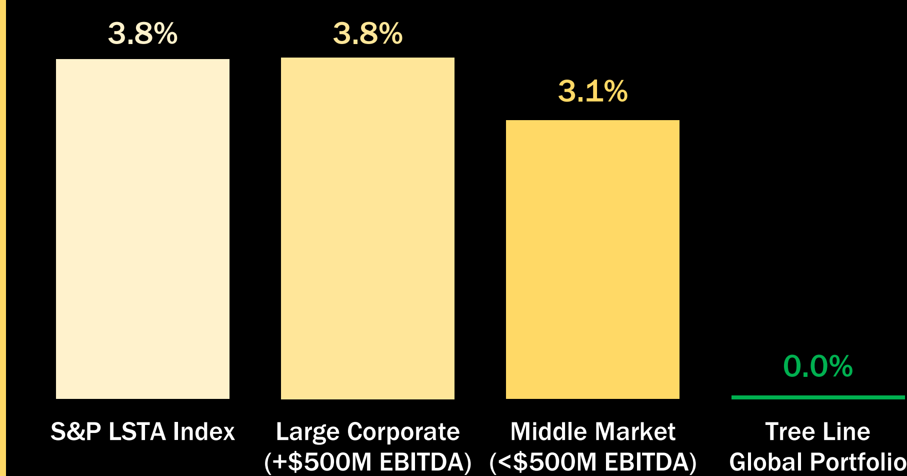
Delivering Consistent Outperformance Across a Cycle

Market default rates spiked in 2020, yet Tree Line maintained a 0.0% default rate in 2020 and 2021 – a result of the work we did at the peak of the cycle. The narrative that the size of a company will influence performance is flawed in its singular focus. Our focus on lower middle-market, where the current portfolio maintains a weighted average enterprise value of $130 million has meaningfully outperformed larger market segments. Our focus and ability to remain nimble and selective delivers both Tree Line and its investors a real edge.

Historical Annualized Default Rate[24]



2020 Annualized Default Rate[24]



Disciplined Strategy

Durable Returns

Spotlight: Delivering Consistent Outperformance

	2015	2016	2017	2018	2019	2020	YTD 1Q21
Fair Market Value *Portfolio $*	**$91** *Million*	**$242** *Million*	**$404** *Million*	**$543** *Million*	**$871** *Million*	**$946** *Million*	**$1,184** *Million*
Fair Market Value *% of Par*	**100%**	**100%**	**100%**	**100%**	**98%**	**98%**	**101%**
Gross Leverage *Portfolio Average*[12]	**4.0x**	**3.3x**	**3.8x**	**3.8x**	**3.6x**	**3.4x**	**3.3x**
Loan-to-Value *Portfolio Average*	**57%**	**50%**	**59%**	**42%**	**48%**	**43%**	**41%**

Please review pages 26 and 27 for important footnotes and disclosures.

Looking Ahead

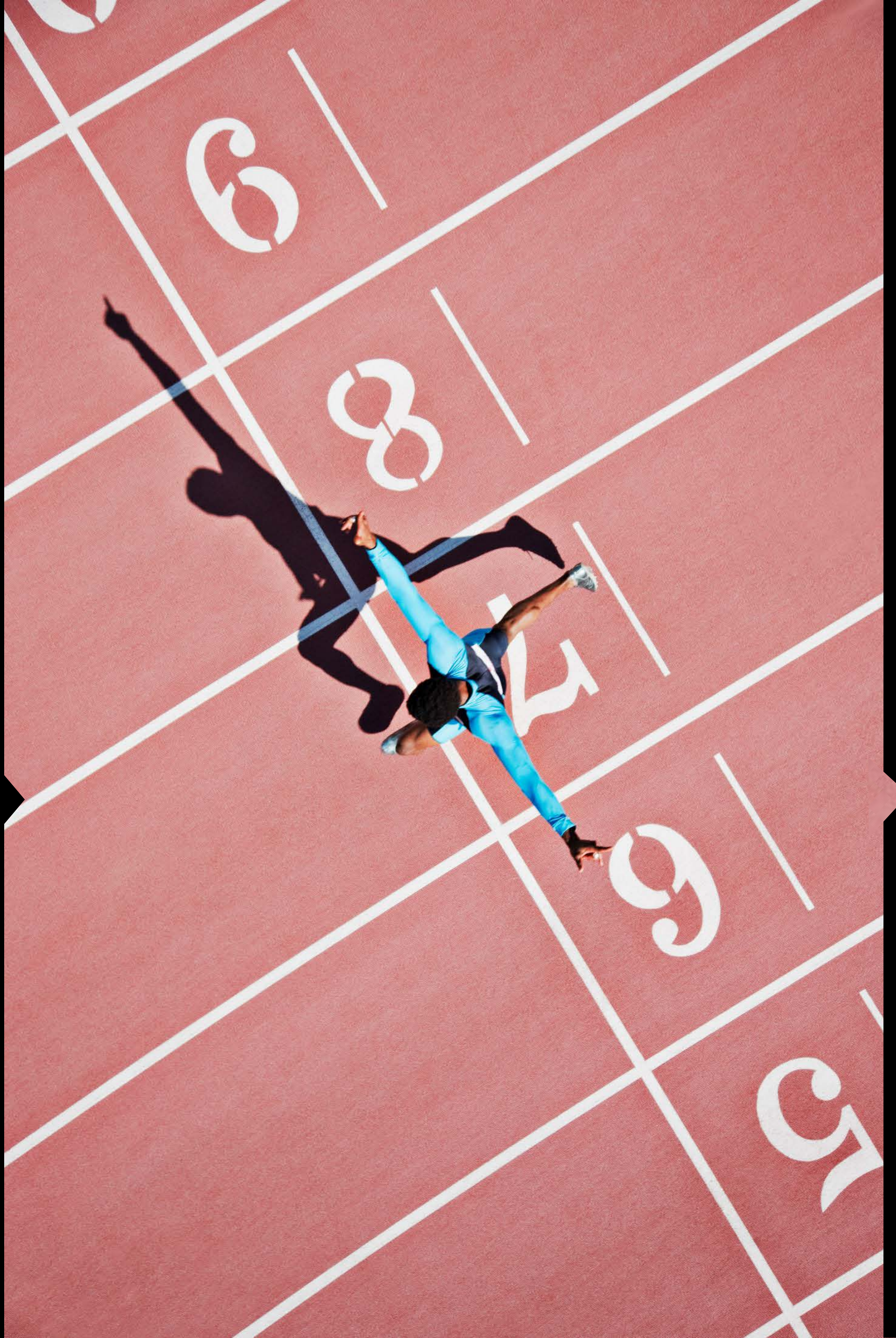
Winning in the Current Environment

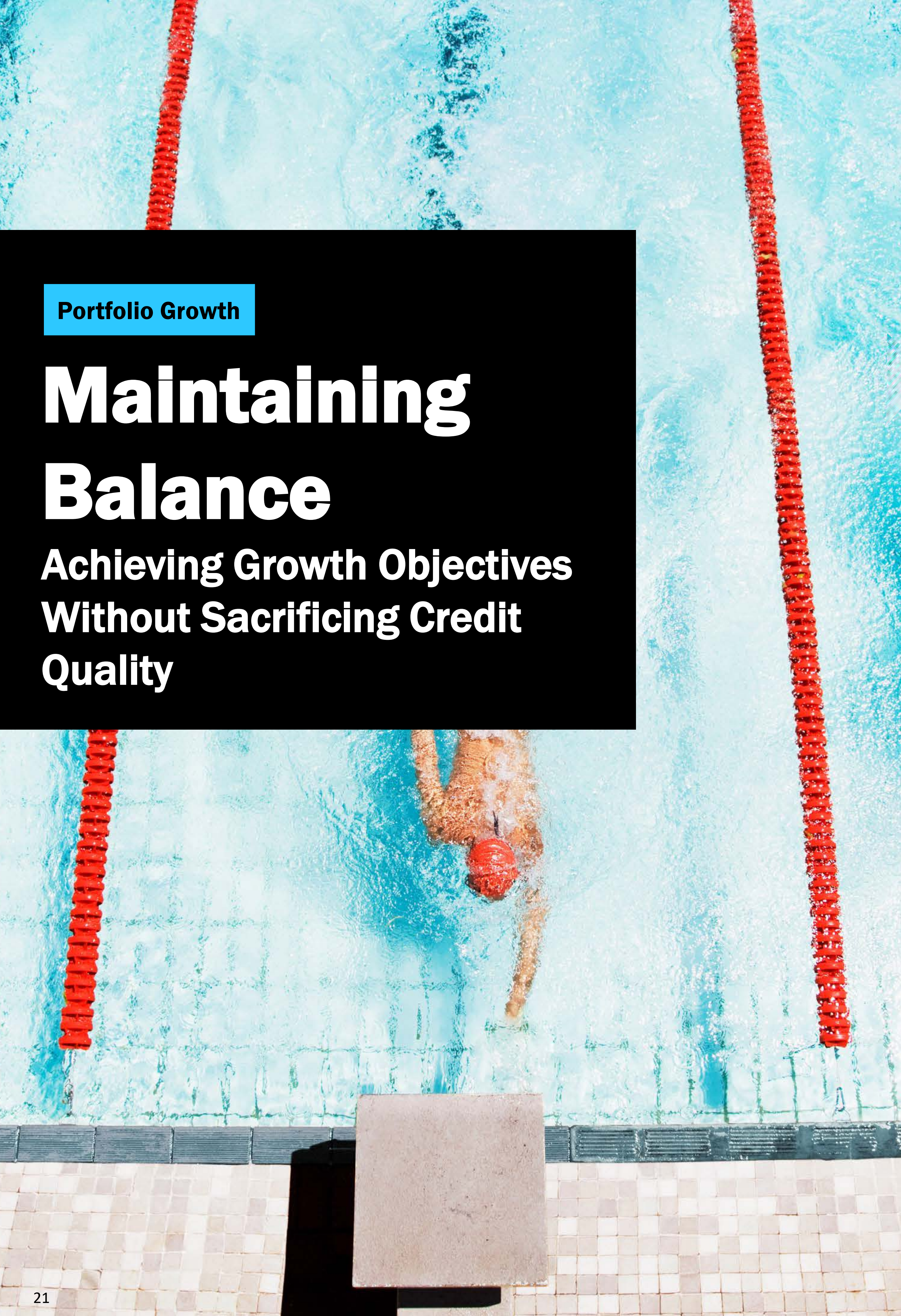
Tree Line Market Share Growth

Partners in Growth: Proven Borrowers & Sponsors

Looking Ahead: 2021 Underwriting Themes

Roadmap for LPs: What to Look for in a Direct Lender



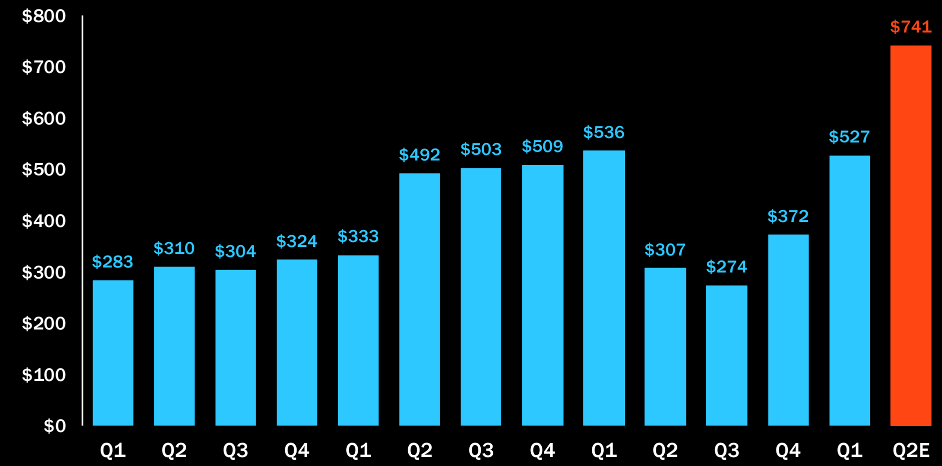


Portfolio Growth

Maintaining Balance

Achieving Growth Objectives Without Sacrificing Credit Quality

Tree Line Rolling LTM Gross Origination Commitments & Vintage Statistics



	2018	2019	2020	2021
Leverage[12]	*3.17x*	*3.48x*	*2.93x*	*3.57x*
Spread	*6.98%*	*6.52%*	*7.20%*	*6.80%*
EBITDA @ Close	***$7.35M***	***$7.17M***	***$8.58M***	***$8.30M***

Lower middle-market private equity's growth and fragmentation among managers provides a diverse array of sponsor partners with whom Tree Line has established long-term and valued relationships. In the past 12 months, Tree Line has closed transactions with 17 new private equity relationships, with multiple deals coming from nearly 40% of the sponsors in the portfolio, driving gross origination capabilities to ~$700-800M per year.

Importantly, given ability to maintain selectivity on deals, this origination has been delivered with consistent leverage, pricing, terms and borrower quality.

We believe that alpha cannot be purchased in an auction; but rather that it is the result of the rigorous and consistent application of a well-defined selection criteria across a vast and under-appreciated opportunity set.

50

Transactions with Unique PE Sponsors Through June'21

23%

Annualized New Commitment Growth 2018-June'21 CAGR

3.3x

Average Leverage for 2018-June'21 Vintages

6.9%

Average Cash Spread for 2018-June'21 Vintages

Please review pages 26 and 27 for important footnotes and disclosures.

Borrower Growth

Buy & Builds Driving Scale

Enhancing Credit Quality through Portfolio Company Growth

Tree Line benefits from the growth among lower middle-market private equity in "buy & build" strategies, in which platforms at acquisition start below $10M of EBITDA but increase from acquisitions. This practice allows sponsors to capture multiple arbitrage as portfolio companies grow to businesses with more attractive degrees of scale.

Since 2014, Tree Line's 81 portfolio companies have completed 77 add-on acquisitions, resulting in over half of portfolio companies generating > $10M of EBITDA at exit, and thus attracting significant interest from middle market buyers. The 77 add-ons have generated $494M of deal volume for Tree Line, making add-ons a reliable source of annual deployment. Tree Line takes a discerning approach to evaluating buy & builds, in which significant diligence is conducted on the sponsor's plan, integration history, degree of execution risk and downside analysis. Tree Line has developed sponsor relationships which specialize in identifying attractive platforms early in their lifecycle. These are commonly backed by experienced operators recruited from larger businesses which inform best practices as companies grow.

As a result, the majority of Tree Line's portfolio companies progress from businesses with less than $10M of EBITDA to businesses with over $10M of EBITDA, a dividing line which attracts higher levels of interest from middle market sponsors. Importantly, the average size of a Tree Line portfolio company nearly doubles over the course of Tree Line's lending relationship, with average EBITDA increasing from $9.7M to $18.1M. This scale and growth provides added credit support of a larger organization and experienced team, in addition to the significant follow-on financing opportunities for Tree Line.

$494M
Completed Follow-On Portfolio Financings Since Inception

81
Completed Platform Company Investments Since Inception

77
Completed Financed Add-On Acquisition Investments Since Inception

$9.7M
Average Portfolio Company LTM EBITDA at Financing Close Since Inception

$18.1M
Average Portfolio Company LTM EBITDA at Current/Exit

Please review pages 26 and 27 for important footnotes and disclosures.

Looking Ahead

Underwriting Themes

New risks in the current environment

Looking ahead to our capital deployment strategy in 2021 and beyond, we have taken note of certain changes in the social and economic landscapes that we believe may have the potential to prove less “transitory” than some may believe.

These themes include:

- Inflationary pressures in wages and commodity inputs,
- Shifts away from complex global supply-chains and the dependence on ‘just in time’ inventory procurement strategies,
- A continued and accelerating shift away from brick-and-mortar retail in favor of ecommerce, along with the ever-expanding requirements placed on global transportation networks, and
- Lingering effects of COVID-19 (and its expanding set of variants) on consumer and commercial behavior beyond those noted above.

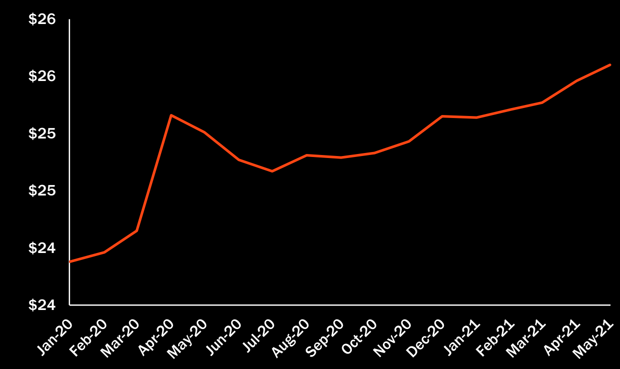
While we embrace the reopening of the economy and accelerated pace of economic growth exiting the COVID-19 recession, we believe the investment and operating landscape has shifted in its wake in a manner that both highlights the strengths of our cycle-durable underwriting approach built since our founding as well as necessitates an acknowledgment of changes in the near- to medium-term outlook.

Commodity & Wage Inflation

- Commodity price risk has long been a factor that we have avoided where possible in our asset selection process; however, with the recent spikes in broad commodity prices across the spectrum of materials, food, and energy along with sustained underinvestment in capacity production expansion, we are closely monitoring these factors as it relates to both our portfolio and new investment underwriting.
- Wage growth – notably at the lower end of the wage spectrum – has more recently accelerated as labor shortages have become persistent across the US. We expect these shifts to be more persistent than those in commodities and are therefore allocating resources to analyzing firm labor productivity and pricing power.

GSCI Commodity Index[29]

Avg. Hourly Earnings: Production / Non-Supervisory[30]



Supply Chain Complexity & ‘Just-in-Time’ Inventory

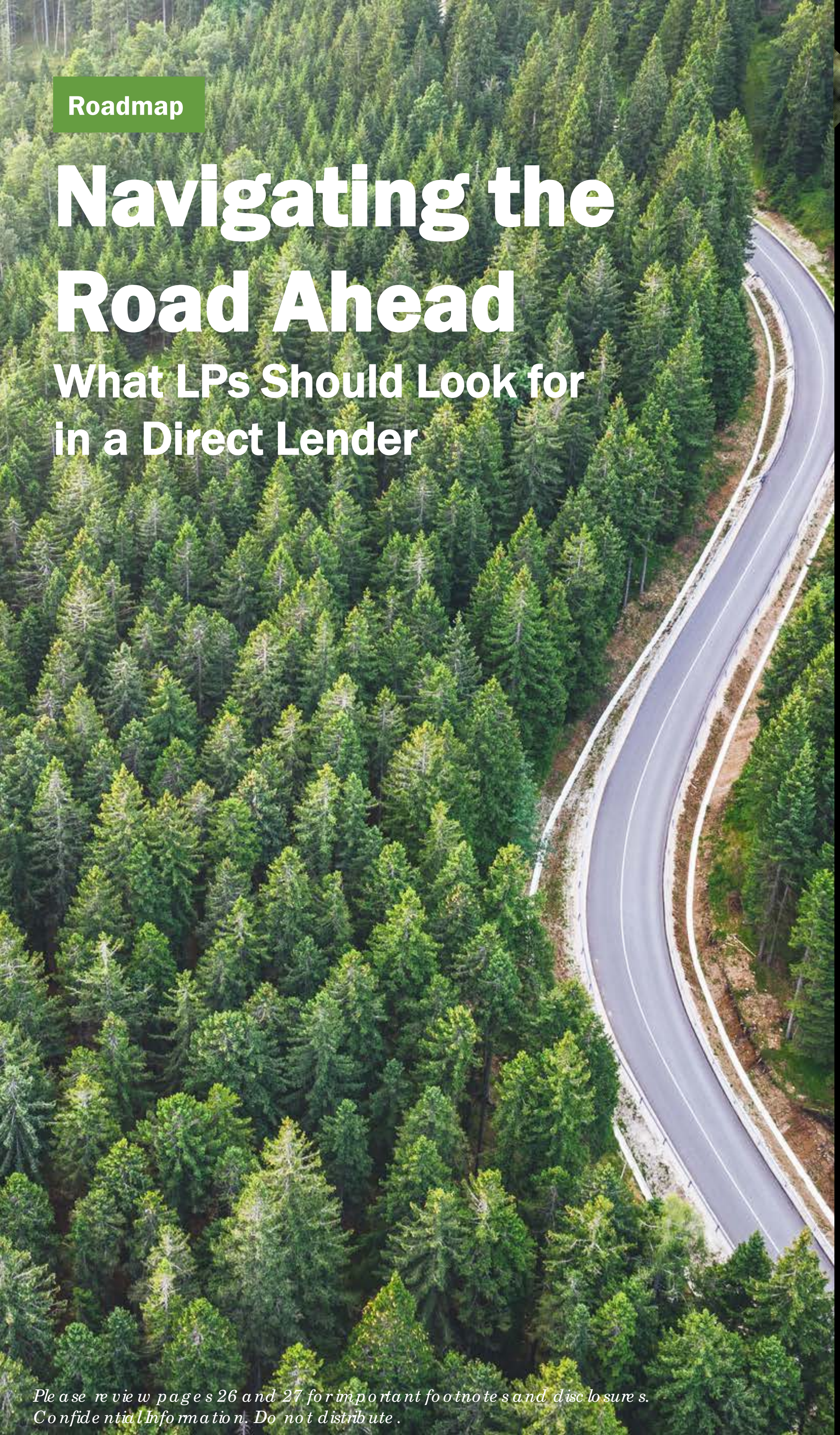
- With port delays and containerized shipping rates reaching new all-time highs on a weekly basis, we believe the weaknesses exposed by complex and ‘far-flung’ supply chains may prove to be a more persistent theme through 2021 and beyond. We expect these issues to be compounded by firms’ shift away from ‘just-in-time’ inventory management strategies, further stressing worldwide logistics networks.
- In the near-term we are closely evaluating firm supply chains for potential weaknesses both in our portfolio and new investment underwriting. In the future, we expect this may create opportunities in domestic and ‘near-shore’ production.

Behavioral Changes for Consumers & Businesses

- While recoveries in many segments of the economy encourage optimism, we remain cautious around certain segments of the consumer-focused economy where the acceleration of technology adoption may create lasting changes to behavior. These segments include leisure, transportation, fitness, travel, real estate, and restaurants.
- Additionally, some of these trends seem to have also impacted behavior primarily in certain commercial segments such as professional services, business travel, and other businesses tied to workplaces and commercial real estate.

Normalizing Earnings in an Abnormal Environment

- While the majority of businesses experienced earnings challenges through the COVID-19 pandemic, many also benefitted directly and experienced one-time surges in demand such as businesses tied to home office goods, repair/remodel services and associated goods, and connectivity services, among others.
- Normalizing earnings adjustments – positive & negative – are considered carefully.



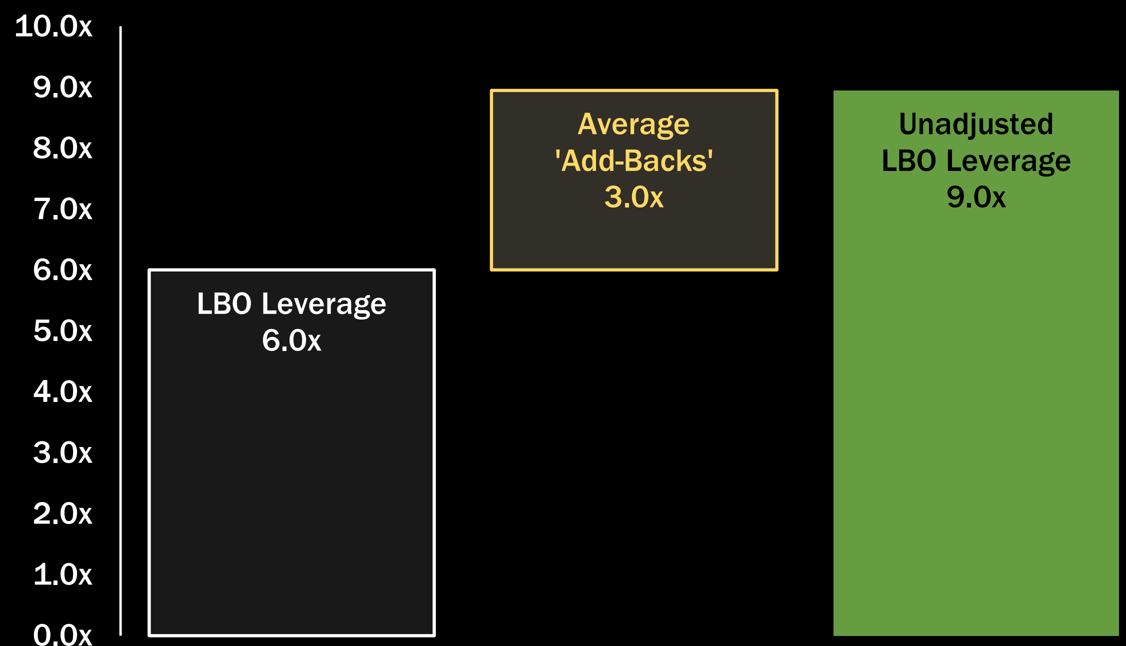
Roadmap

Navigating the Road Ahead

What LPs Should Look for in a Direct Lender

Maintaining Quality (and Quantity) of Earnings

The majority of institutional investors have already established exposure across the direct lending asset class. As the market landscape evolves, so to must the approach investors take towards due diligence. GP's who presented a strategy five years ago, may well have doubled or tripled their AUM resulting in style drift towards larger up market transactions with a meaningfully different risk profile. There are a few key areas to focus in on which will help bring to light the true risk within a credit portfolio.



Not all EBITDA is created equal. Adjustments to EBITDA have been market convention since the rise of direct lending as an asset class, however the magnitude of these adjustments in middle-market and upper middle-market deals has reached historical highs. According to S&P, adjustments reflected 49% of EBITDA across a diverse sample size of transactions greater than $50M. This is important because not all adjustments are black and white. One-time costs associated with the legal documentation of an acquisition are justifiably added back, but how about expected cross selling opportunities the sponsor believes may come to fruition 12-24 months from now with no historical precedence. Many of these "synergy" addbacks are speculative at best and result in a false sense of both reduced leverage as well as increased cash flow for debt service. The impact of these adjustments on leverage are highlighted in the chart shown here using data aggregated by S&P demonstrates just how misleading leverage can be when simply using a closing adjusted EBITDA level[31].

Other Items for LPs to Consider

Portfolio Construction

- ✓ How have key portfolio metrics changed over a 1, 3 and 5 year period? (i.e. % of 1L/2L, spread, leverage, % of cov-lite)
- ✓ What percentage of the portfolio is the GP agent or lead lender?

Borrower Performance

- ✓ What PIK was formerly cash interest and converted due to credit issues?
- ✓ What amortization has been restructured to provide relief?

Loss Rates

- ✓ How are GPs defining 'Loss Rate'? Is it net of gains?
- ✓ Have historical loss rates excluded certain types of investments or securities?

Fixed Charge Coverage

- ✓ How much *unadjusted* cushion exists within a GPs stated fixed charge coverage metrics?
- ✓ How do these standardized statistics benchmark against peers and competitors?

Annual Report Team

Annual Report Contributing Team

Tom Quimby
Founding Partner

Jon Schroeder
Founding Partner

Frank Cupido, CFA
Partner

Drew McCauley
Principal

Liz Langhorne
VP, Investor Relations

Disclaimer

Opinions

Opinions expressed through page 24 are those of Tree Line Capital Partners, LLC as of June 2021 and are subject to change.

Tree Line Data Points

All data through page 25 reflects current performance as of June 2021, unless otherwise noted.

The information provided herein with respect to TLDL, TLDL (SC), TLCS, and TLDL II (as defined on the Footnotes / Glossary page) has been provided for informational purposes only and does not constitute an offer to sell, or solicitation of offers to buy or convert, securities in TLDL, TLCL (SC), TLCS, TLDL II or any other existing or to be formed issuer. Investments in TLCS and SBIC II can be made only pursuant to a subscription agreement, confidential private offering memorandum and related documents and after careful consideration of the risk factors set forth therein.

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The information herein includes targeted yields and internal rates of returns (“IRR”), which are based on a variety of factors and assumptions and involves significant elements of subjective judgment and analysis. Targeted yields and IRRs are being presented because they provide insight into the level of risk that Tree Line Capital is likely to seek with respect to the relevant product. The targeted yields and IRRs are a measure of relative risk of a portfolio of investments, with higher targets reflecting greater risk. Targeted yields and IRRs are estimates based on a variety of assumptions regarding, among other things, current and future asset yields for such investments and projected cash flows related thereto, current and future market and economic conditions, prevailing and future interest rates, including the cost of use of leverage, where applicable, historical and future credit performance for such investments, and other factors outside of Tree Line Capital’s control. The targeted yields and IRRs are subject to uncertainties and are based upon assumptions which may prove to be invalid and may change without notice. Other foreseeable and unforeseeable events, which were not taken into account, may occur. Investors should not rely upon the targeted yields or IRRs in making an investment decision. Although Tree Line Capital believes there is a sound basis for such targets, no representations are made as to the accuracy of such targets, and there can be no assurance that such targets will be realized or achieved. Additional information concerning the assumptions used in connection with the target returns is available upon request.

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Important footnotes

1. *TLDL refers to Tree Line Direct Lending, LP. TLDL is managed by Tree Line Capital (as defined below).*
2. *TLDL (SC) refers to Tree Line Direct Lending Swiss Capital, LP. TLDL (SC) is managed by Tree Line Capital (as defined below).*
3. *TLDL II refers to Tree Line Direct Lending II, LP. TLDL II is managed by Tree Line Capital (as defined below).*
4. *TLCS refers to Tree Line Credit Strategies, LP. TLCS is managed by Tree Line Capital (as defined below).*
5. *SMA refers to Tree Line Swiss Capital Debt Fund, LP. Tree Line Capital (as defined below) serves as the advisor to the SMA.*
6. *Tree Line Funds refers to TLDL, TLDL(SC), TLDL II.*
7. *All Funds refers to TLDL, TLDL (SC), TLDL II, TLCS and SMA.*
8. *SBIC Fund refers to Enhanced SBIC II, LP, a successor fund to SBIC I that is managed by Tree Line Capital.*
9. *Tree Line Capital, Tree Line, and TLCP refers to Tree Line Capital Partners, LLC.*
10. *Portfolio FMV is defined as the cumulative fair market value of all investments by the funds managed by Tree Line Capital as determined in accordance with Tree Line Capital's valuation policies and guidelines. These metrics reflect certain management estimates supported in certain instances by valuations performed by third-party valuation firms.*
11. *Wtd Average Gross Unlevered YTM is defined as the expected yield, including the coupon and closing fees, of an investment that is held to maturity and payments are made as scheduled. The Gross Unlevered YTM for an equity co-investment is defined as the expected return assuming a liquidity event on the maturity date of TLCP's loan and TLCP deal team's forecasted EBITDA, cash, debt, and EV/EBITDA multiple on such date.*
12. *Wtd Average Leverage is defined as the sum of (a) the product of (i) the leverage multiple for each investment [X] (calculated by dividing the most recently reported outstanding loan balance [Y] for each investment by the most recently reported LTM EBITDA for each company) and (ii) [Y], divided by (b) the total outstanding loan balance for the entire portfolio of investments held by All Funds.*
13. *Wtd Average Fixed Charge Coverage is defined as the sum of (a) the product of (i) the LTM fixed charge coverage multiple for each investment [X] (calculated by dividing (x) the trailing twelve months' EBITDA less the sum of trailing twelve months' unfinanced capital expenditures, cash tax payments, and other permitted distributions and/or restricted payments by (y) the trailing twelve months' cash interest payments and mandatory debt repayments) and (ii) the outstanding loan balance [Y] for the entire portfolio of investments held by All Funds.*
14. *Total Return to Date is defined as the cumulative cash inflow related to each specific investment by each specific Fund up to the referenced point in time noted in each respective table. Returns are shown for specific investments. There can be no guarantee that any target return or any other fund objectives will be realized. It should not be assumed that any investment will be realized at projections shown or will be profitable. Actual results will vary and may differ materially from the target return. Returns to investors from a Fund will aggregate returns from all the respective Fund's investments and will be reduced by fund-level fees, including asset management fees and incentive distributions, and investor-level taxes, all of which reduce returns to investors.*
15. *Wtd Average Unlevered Gross Cash Yield is defined as the sum of (a) the product of [X] the sum of for each respective investment (i) the effective margin over base rate at close, (ii) the effective base rate at close, (iii) any annual administrative fee divided by the outstanding principal balance, and (iv) any closing fee expressed as a percentage of the outstanding principal balance divided by the tenor of the investment, and (b) the principal balance outstanding [Y] for each respective investment made during the time period referenced. Note: Wtd Average Unlevered Gross Yield does not include common equity or like investments in the calculation of outstanding principal.*
16. *Intentionally Omitted.*
17. *Average values are shown for LTM Revenue and LTM EBITDA. LTM financial data as of most recently reported period. Weighted average calculations do not include fund guaranty loans as borrower level financial information is not indicative of the loan's performance due to the loan relying primarily on the support from the institutional fund owner of the borrower via a guaranty agreement rather than the cash flow and enterprise value of the individual borrower. LTM Leverage weighted average calculation also excludes equity investments.*
18. *Intentionally Omitted.*
19. *PitchBook as of May 2021*
20. Cliffwater Direct Lending Index website, as of May-2021 *LLC. The Cliffwater Direct Lending Index (the "CDLI") is an asset-weighted index of over 6,000 directly originated middle market loans totaling $115 billion in assets assets. The CDLI seeks to measure the unlevered, gross of fees performance of U.S. middle market corporate loans, as represented by the underlying assets of Business Development Companies ("BDCs"), including both exchange-traded and unlisted BDCs, subject to certain eligibility requirements. The CDLI is asset-weighted by reported fair value. Other industry participants may make different determinations regarding the focus of these BDC portfolios.*
21. *"BDC" refers to publicly traded Business Development Companies, as defined by the amended Investment Company Act of 1940. All data points relating to BDCs herein are sourced from public SEC disclosures accessed via the online EDGAR platform.*
22. *S&P Global Market Intelligence Leveraged Commentary and Data*
23. *S&P/LCD as of May 2021*
24. *Moody's Investor Service Q1 2020 Leveraged Loan Report on Covenants and Recoveries, as referenced in Bloomberg on May 4, 2020.*
25. *Prequin as of May 2020*
26. *Pitchbook, as of September 30, 2020.*
27. *U.S. Census Bureau – Statistics of U.S. Businesses – 2012. This is the most recent "Statistics of U.S. Businesses" census released by the U.S. Census Bureau on this*
28. *Based on the March 31st, 2021 Tree Line Capital Partners Valuation Report as determined by the Valuation Committee*
29. *Goldman Sachs Commodity Index, as of March 2021.*
30. *Federal Reserve Economic Data, as of May 2021.*
31. *S&P LCD Leveraged Buyout Review 4Q 2019. S&P research, "When the Cycle Turns: The Continued Attach of the EBITDA Add-Back" September 19, 2019*