

Fundamentals in Focus

**Value in Private Credit Starts with
Market Segment**



Responsible Growth. Consistent Performance.

As of May 2026

\$5.4B

Assets Under Management

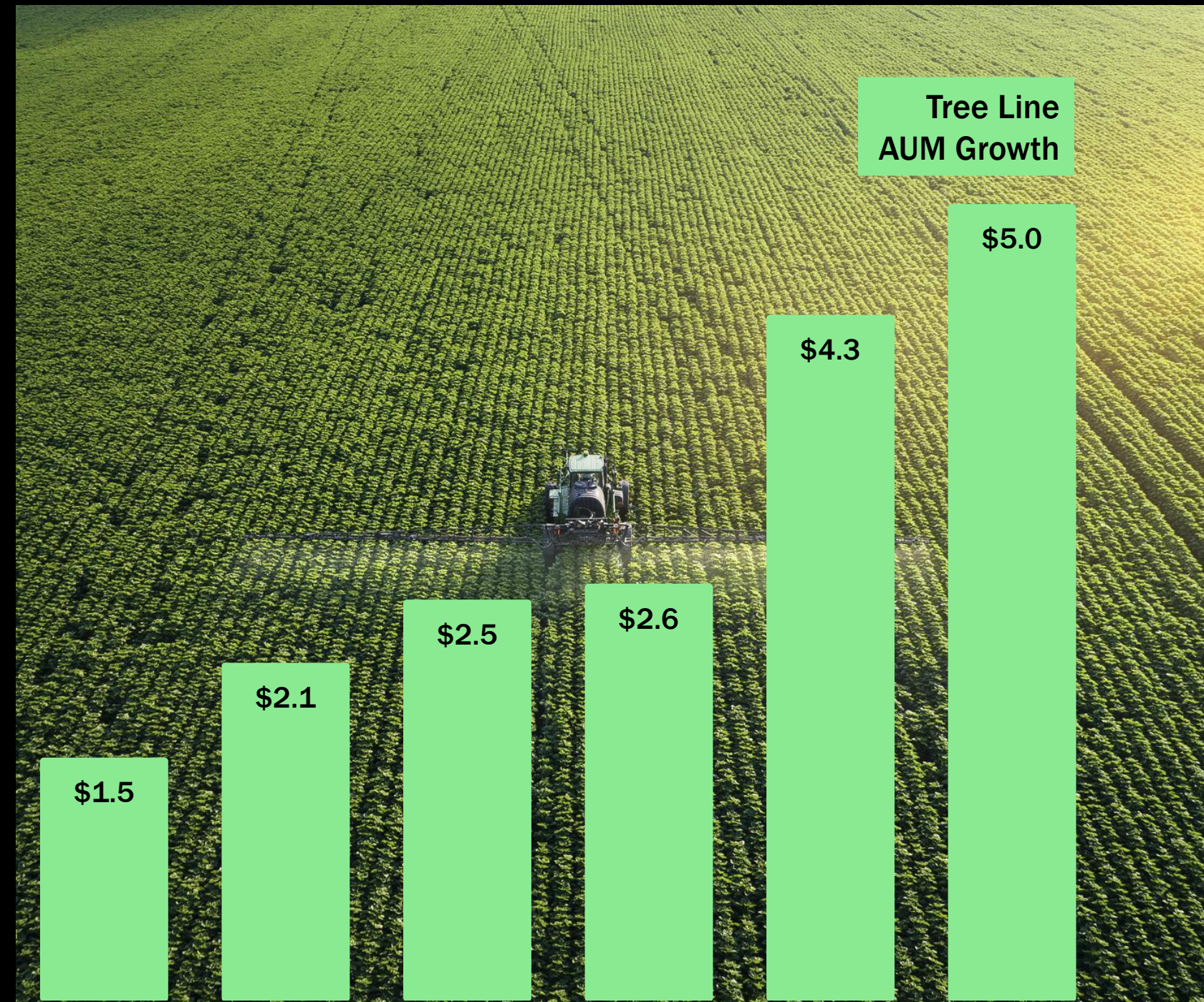
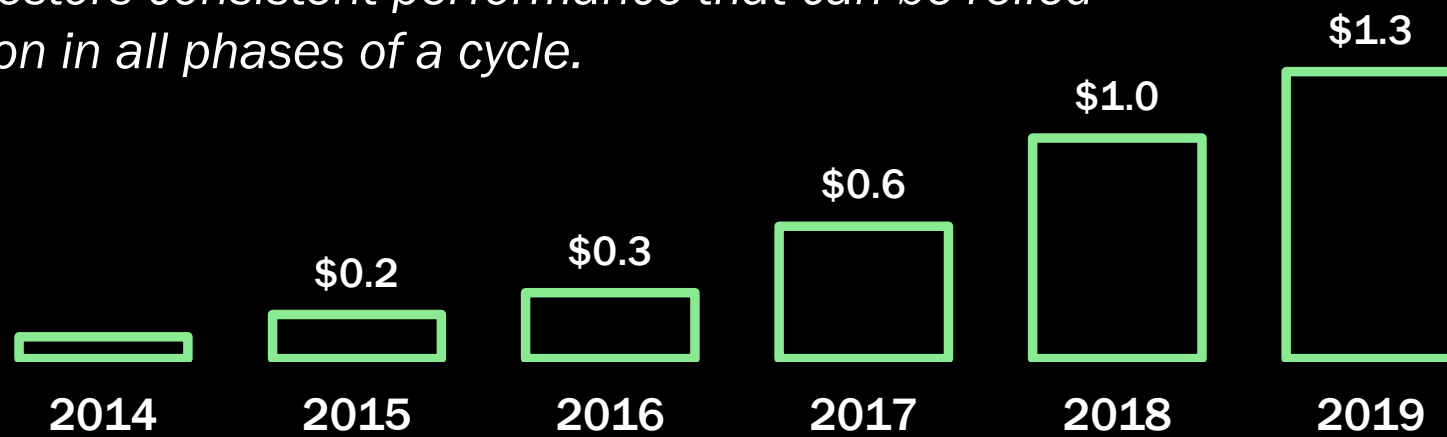
\$4.0B

Committed Investments Outstanding

1

Strategy

Tree Line has built its platform on long-term institutional relationships. Our growth has been thoughtful and responsible which has delivered investors consistent performance that can be relied upon in all phases of a cycle.



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Leverage ⁽²⁾		3.7x	3.4x	3.7x	3.7x	3.6x	3.4x	3.4x	3.7x	4.0x	4.1x	4.1x
FCC ⁽³⁾		1.7x	1.7x	1.8x	1.8x	2.0x	2.4x	2.4x	2.0x	1.7x	1.7x	1.8x
Covenants		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Tree Line Portfolio Metrics at FYE

A Platform Built on Relationships.

Since inception, Tree Line has built its reputation through a relationship-driven approach — serving as a trusted partner to sponsors, borrowers and investors. This has been a differentiating factor, leading to extended lending relationships with borrowers, repeat opportunities with sponsors, and multi-fund relationships with investors.

Tree Line Current Portfolio by the Numbers

96%

Sponsor-Owned
Borrowers

\$7.5B

Issued
Commitments

87%

Agent or Lead
Lender

194

Borrowers
Financed

49%

Repeat or Referral
Deal Flow

111

Unique Sponsors
Financed

Driving LMM Company Growth.

Tree Line's winning approach centers around the unique ability to identify lower middle-market borrowers with strong potential and finance their growth. Tree Line has a demonstrated track record to execute add-on acquisition underwritings and leverage our capital markets capabilities.

\$13M
Average EBITDA at Close

Add-on Support

309
Add-on Financings Completed for Post-Close Acquisition Support

Capital Markets

\$1.5B+
Syndicated volume since 2023 with Tree Line as Agent and Lead Arranger

Organic Growth

24%
Organic EBITDA growth achieved since initial close

Execution Track Record

505
Cumulative Transactions Closed Since 2014


\$24M
Average EBITDA at Exit

Making an Impact

A Commitment to the Community: Tree Line has continued to invest in its communities making substantial commitments to a variety of non-profit partners. We are committed to responsible investing by making our ESG Policy an integral part of the investment screening process. We are a signatory to Principles for Responsible Investment and maintain an “avoid harm” approach in our portfolio construction. This is a commonsense approach that both promotes responsible investing and avoids transactions carrying higher levels of risk and volatility.

Tree Line’s Commitment to the Community

By the Numbers

<p>\$1M+</p>	<p>Direct Charitable Contributions to Non-Profit Organizations</p>
<p>PR Principles for Responsible Investment</p>	<p>Signatory since 2020</p>
<p>6 Vetted Non-Profit Partners</p>	

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To our investors,

At a time when Private Credit is making headlines and sparking debate, we are pleased to share an update on our platform's continued success. Our team works daily to ensure our platform delivers access to the compelling credit attributes that exist in the lower middle-market. We have built career-long relationships across our team and industry to deliver a differentiated strategy designed to consistently outperform the broader lending market where creditor protections are sacrificed at the alter of AUM growth. At Tree Line, we have put our investors first by maintaining a commitment to credit fundamentals, delivering consistent and compelling performance for over a decade.

\$5.4B
AUM

1
Strategy

13

Direct Lending Funds

48

Professionals

\$4.0B
FMV Portfolio &
Unfunded Commitments

May 2026

Tree Line has enjoyed uninterrupted growth since the firm's inception in 2014. As of the date of this letter and since the start of 2025, we have expanded our AUM to \$5.4 billion or by 26%, we have increased our outstanding investments (including unfunded commitments) to \$4.0 billion or by 36%. We have grown our team to 48 professionals adding 15 new team members. We manage 13 funds all focused on one strategy that receives 100% of our team's attention, and commitment.

This growth can be attributed to the relationship approach we have taken with our investors, sponsors, borrowers and platform partners. We have created a culture that has resulted in a cohesive, experienced team and a credit focus that has invested in a data-driven approach. At this moment, the Private Credit asset class offers an opportunity for managers and market segments to generate differentiated performance. Tree Line and the lower middle market are in position to further showcase the opportunity for investors when there is true alignment with managers and credit metrics make sense.

In an environment where there is noise, confusion and uncertainty, Tree Line's focus on the fundamentals brings clarity to our strategy. As large market players raise and deploy capital at a pace that one could easily argue was to the detriment of credit structures, and returns, we remained grounded in a strategy focused on long-term performance. This strategy puts LP performance first and platform growth second, resulting in long-term, multi-fund relationships with our investors.

Private Credit in the Headlines

We have been focused on Private Credit for nearly the entirety of our careers dating back to 2002. The asset class emerged in the mid-2000s but, prior to 2010, fought for attention from institutional investors bouncing back and forth between the private equity and fixed income allocation decisions. The landscape

today has changed dramatically with Private Credit now a mainstay within alternative assets representing \$1.9 trillion in assets under management. Nearly every institutional investor has an experienced, dedicated team focused on private credit that benefits from two decades of performance data. This has propelled the asset class forward with great momentum which has led to mainstream coverage of the asset class and its performance in a way we have never seen before.

“

While there have been points in time over the last decade where Private Credit made headlines, nothing has compared to the recent persistent coverage stemming from First Brands, AI's potential impact on software, and a spike in redemptions across retail-focused investment vehicles.

Since our inception at Tree Line, we have consistently worked to identify “risk pockets” which are defined as areas in the market that carry a higher probability of default or loss. As a senior secured lender, we seek consistent and durable performance and aim to remove identified risk pockets to improve our long-term performance. After all, our return expectations from deal to deal are largely consistent, so simply removing areas of higher risk has no cost to returns as a debt investor. As we look at the issues that have challenged the Private Credit market, Tree Line has been able to operate outside of the noise. We feel our strategy within the lower middle-market is insulated from the risks that have surfaced in recent quarters for large market players. If anything, the noise in the market has brought more clarity to the value of our underwriting approach and strategy.

First Brands Fallout

First Brands, a non-sponsored company 100% owned by one individual that resulted in a spectacular decline, sounded alarm bells on the potential prevalence of fraud, loose underwriting and “cockroaches” within private credit portfolios.

As we studied the First Brands fallout, we became reassured in our sponsor backed strategy which delivers alignment and protection. We are typically investing alongside a sponsor which delivers alignment on understanding key risks and real-time performance. Upon closing a transaction, we have imbedded protection in the capital structure with the first loss capital invested by the sponsor. On average, at close a Tree Line loan carries a loan-to-value (“LTV”) of 47%. The remaining 53% of the capital structure typically consists of cash equity invested by a sponsor and the company’s management team. This is significant equity that delivers true alignment and support.

Tree Line interacts and builds direct relationships with every management team we invest in. We have been Agent or lead lender on 87% of the deals we have closed since inception. At the end of the day, the borrowers are our partners and the relationships we build differentiate in times of underperformance or stress. Our status as Agent ensures we control the conversation among the borrower and lender from underwriting to exit. The trust built along the way results in direct discussions without the constraints of fragmented lender groups in which many parties are fighting for influence. On average, ~33% of the equity capitalization is contributed by management and/or prior owner-operators. The combination of sponsor-backed opportunities with management teams owning equity has been an important part of our strategy.

AI Impact on Software

As we entered 2026, AI’s disruption to software quickly came into focus. What was once considered a safe and reliable sector quickly posed a potential risk to credit managers.

However, the issue predominantly comes back to the fundamentals as large market lenders proved to lack discipline in both their diversification and structure in software lending. Concentrations as high as 30% in portfolios with structures where EBITDA-based leverage was 6, 7 or 8x shook the market. At Tree Line, our approach was consistent with the lower middle-market where advantaged credit terms could be achieved while maintaining a diversified portfolio.



AI is the latest risk identified in Private Credit to stoke the debate, but the ultimate risk will likely be found in portfolios’ fundamental credit metrics.

The software exposure held by some of the largest credit managers in the world received an incredible amount of media attention. With the success of retail fundraising, CNBC’s viewers now had an interest in the headline as many retired and high net worth individuals had invested in some form of private credit.

A key tenet to Tree Line’s strategy is to build highly diversified portfolios of senior secured loans by borrower, geography, and sector. Software is no exception, and prior to 2022, we felt software, and even ARR loans, had a place in our portfolio. The credit case was compelling with company attributes including strong recurring revenue, a subscription-based sales model, high switching costs, and strong sponsor support.

Things changed for us post-pandemic as interest rates increased 550 bps and we felt a premium should be placed on free cash flow. At that time, we had completed five loans on an ARR basis, and while the exposure was limited in our portfolio, we discontinued our focus on ARR lending.



Tree Line has very limited exposure across its platform, with direct exposure to software businesses across 6 of 105 borrowers – representing 5.6% (or \$188 million) of total FMV across all funds.

The credit metrics are highly appealing, and representative of the value found in the lower middle-market relative to structures observed upmarket. The five software loans made on a cash flow basis carry a weighted average Adj. EBITDA, leverage, and fixed charge coverage of \$13.9 million, 4.1x⁽²⁾ and 1.9x⁽³⁾, respectively. All loans pay cash interest and have 0% PIK in their structure.

Given the present challenges introduced by AI to the software sector, Tree Line is not actively pursuing an increase to its exposure. However, we remain comfortable with the exposure we have, based on the underlying business models which feature high visibility into 2026 performance coupled with AI-resistant themes including status as systems of record, operations within regulated frameworks and ownership of proprietary and sensitive data. We also gain comfort from our position in the capital structure, as first lien lenders, and feel that, if there are pain points, the brunt will be borne by the equity investors.

Tree Line Software Exposure by the numbers

5.6% Software Exposure (% Total FMV)	4.1x Weighted Average Leverage ⁽²⁾
ZERO PIK	1.9x Fixed Charge Coverage ⁽³⁾

Retail Fundraising Retreats

The collective concerns felt by First Brands and Software were enough to cause significant concern across retail investors largely positioned in large market portfolios. Perhaps the retail – private credit relationship is a mismatch. Perhaps the retail market needs further education in the asset class. But in the end, the retail impact is squarely placed on the largest platforms that have grown AUM indiscriminately for over a decade.

From the view of an institutional investor, the significant inflows from retail should only be seen as a commoditizing force on credit terms and structure. The result was a steady erosion in terms, covenants and documents. Private Credit platforms upmarket have been trying to convince the market that the fundamentals don’t matter (i.e., leverage, covenants, documents) so long as there is a favorable loan-to-value (“LTV”). This may prove to be a costly miscalculation when it comes to certain software exposure.

Tree Line has no exposure to retail fundraising and has always prioritized methodical and responsible growth. We have been focused on building long-term relationships with institutional investors. This group has provided significant support, increasing their investment on Tree Line’s platform by a factor of 4.0x since making the first investment.

LMM Differentiation

As Private Credit headlines are cast across the entire industry, the lower middle-market has emerged as not only a worthy allocation but a necessary one to blend in credit metrics that offset the commoditizing trends that have occurred upmarket.

Structure > Size

Since Tree Line’s inception over a decade ago, we have been consistently stating that structure is more important than size. Our focus is to deliver investors highly diversified portfolios with attractive current return in historically conservative credit structures. Recent quarters highlight the benefits found in our market segment. Tree Line has consistently sourced senior secured loans with leverage levels 3.9x or lower coupled with strong fixed charge coverages.

Tree Line Performance & Data

The most common misconception we see in the market is the assumption that lower middle-market companies underperform when compared to larger companies during challenging economic environments. The large market lenders have hammered this point home as it fits their narrative and is an attempt to mask the commoditizing trends they have created.

The issue is that the data simply doesn’t support this thesis. At Tree Line, we have been long believers in the fact that credit structure is more important than simply the amount of a company’s EBITDA. After all, EBITDA is adjusted to such lengths that it can be materially overstated while understating leverage. When combining the highly adjusted EBITDA often found in large-cap transactions, meaningfully higher leverage levels, the covenant lite or loose structures, structures are pushed to such a degree that the imbedded cushion has all but evaporated.

Tree Line has taken a data driven approach to our underwriting which has been a meaningful contributor to our performance. If we can identify an area of the market that suggests a higher probability of default or loss, then we remove it from our portfolio construction. As senior secured lenders, this is critical to driving outperformance.

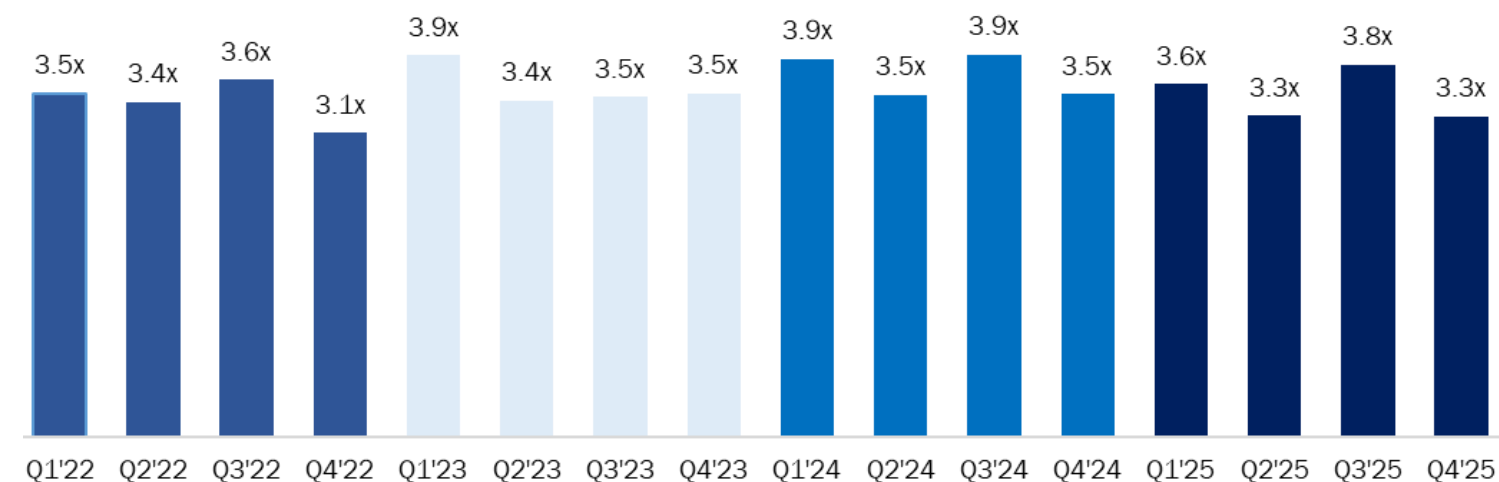
Sector Matters

Sector selection has been the most consistent contributor to underperformance across direct lending over the past 20 years. Oil & gas and retail are notable contributors to losses within direct lending portfolios. Other sectors such as packaging, consumer products, retail and restaurants have proved equally problematic. We have seen challenging trends in multi-site healthcare and roofing in the latest vintage, but the underperformance has not discriminated based on size. For these reasons, we continue to invest time, energy and resources into studying sector performance across the 12,000 loans held by BDCs.

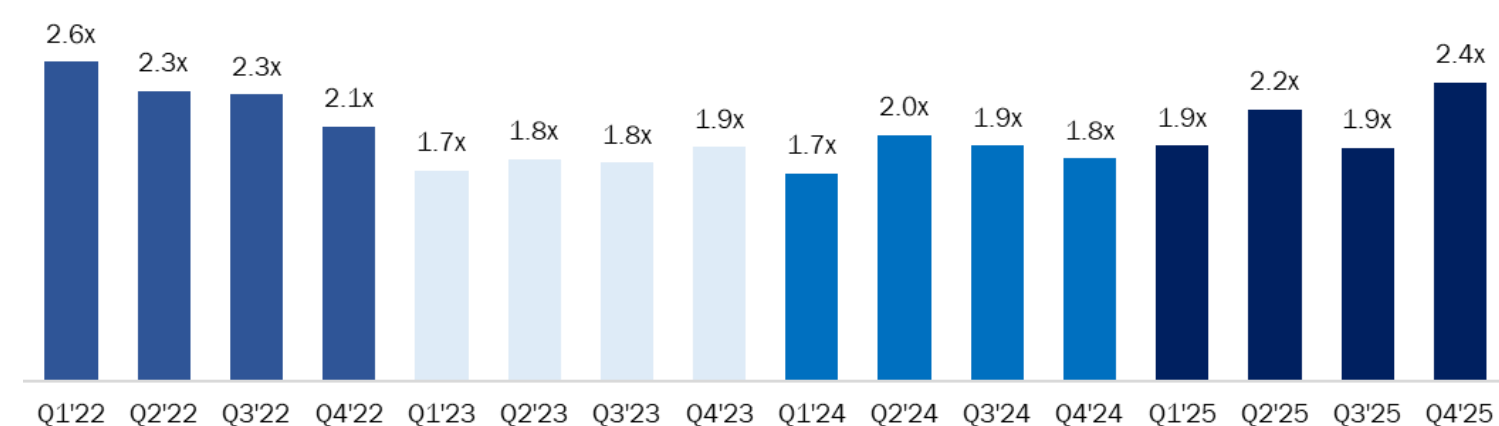
Tree Line’s Bad Deal Database provides invaluable information on sector trends and risks that is often overlooked when truly understanding what drives separation from one GP to the next. Tree Line dives deeper and on a quarterly basis examines every loan in the BDC market and identifies every deal marked below 80% of cost and organizes these loans by sector. This creates an opportunity for Tree Line to examine underperforming deals outside of our portfolio and to study where we believe there could be a higher probability of loss or default. If we see elevated risk in any sector, our goal is to categorically remove it from our portfolio construction to eliminate the need to pick the good deals over the bad. There are enough sector opportunities that consistently perform carrying a lower probably of loss or default that we believe are simply better fits for our senior secured strategy which places a high emphasis on consistency and capital preservation.

Credit Fundamentals

Historical Quarterly Leverage at Close ⁽²⁾



Historical Quarterly FCC at Close ⁽³⁾



100%

Deals with Maintenance Covenants

Zero

PIK or PIK-toggle at Close

Tree Line Performance

Tree Line continues to seek a data-driven approach to deliver consistent and attractive performance. With the significant growth in private credit and BDCs, there is a tremendous amount of public data available to examine. At Tree Line, we utilize this public data to identify trends, patterns and areas that have proven to show a higher probability of loss or default.

We have described the rails to our strategy as being senior secured and sponsor backed. This brings strong support contractually being in a first lien position but gains further strength from having meaningful capital in a first-loss position. While this approach is broadly utilized across direct lending, we believe a commitment to data is what has enabled long-term consistent performance at Tree Line. We have built a screening algorithm and a “bad deal” database as data-driven tools to screen and filter risk which ultimately assists our portfolio construction. This leads to discussions on the observed facts versus being persuaded by a story or even relationship that may have a different vantage point through an equity investment.

We are a credit-first culture, and these tools allow us to leverage data to make decisions. There are clear advantages found in the lower middle-market segment and when we combine those advantages with our data-driven approach, it simply results in meaningful outperformance when compared to various private credit indices.

Tree Line continues to deliver strong and compelling performance relative to industry benchmarks and believe our size, market segment and data-driven approach are clear advantages. We will continue to look for areas to separate from the market on the margin as these small adjustments can be material in times of macro-economic corrections.

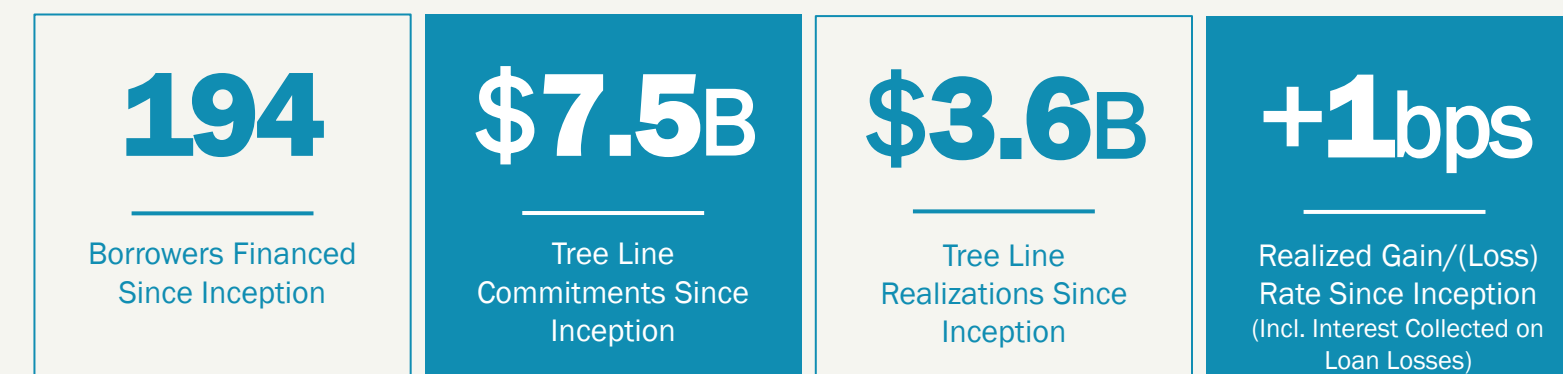
We believe the current environment will be an opportunity for manager differentiation. As we’ve noted in the past, relationships are critically important to us and will always drive our growth, but data will drive our performance. We remain committed to the fundamentals and will not seek growth strategies that compromise our value proposition.

Bad Deal Database

Q4'25				Q3'25			
Industry Group	Total Deals	Bad Deals	% of Total	Industry Group	Total Deals	Bad Deals	% of Total
Consumer Durables	75	25	33.3%	Consumer Durables	108	22	20.4%
Retail	78	17	21.8%	Retail	89	19	21.3%
Communications and Networking	62	12	19.4%	Media	75	11	14.7%
Apparel and Accessories	43	9	20.9%	Communications and Networking	96	11	11.5%
Healthcare Services	390	59	15.1%	Computer Hardware	60	7	11.7%
Media	58	7	12.1%	Apparel and Accessories	50	6	12.0%
Services (Non-Financial)	178	23	12.9%	Services (Non-Financial)	213	29	13.6%
Healthcare Devices and Supplies	78	12	15.4%	Healthcare Devices and Supplies	128	16	12.5%
Consumer Non-Durables	182	22	12.1%	Healthcare Services	548	85	15.5%
Computer Hardware	50	7	14.0%	Consumer Non-Durables	225	24	10.7%
Chemicals and Gases	75	10	13.3%	Chemicals and Gases	83	10	12.0%
Restaurants, Hotels and Leisure	121	12	9.9%	Transportation	113	12	10.6%
Transportation	82	8	9.8%	Energy Services	64	5	7.8%
Containers and Packaging	53	3	5.7%	Restaurants, Hotels and Leisure	167	15	9.0%
Commercial Services	1045	97	9.3%	IT Services	214	15	7.0%
Top 15 Industry Groups	2570	323	12.6%	Top 15 Industry Groups	2233	287	12.9%
Other	2438	176	7.2%	Other	4131	261	6.3%
Total	5008	499	10.0%	Total	6364	548	8.6%

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A Data-Driven Approach Drives Performance.



Team & Culture Drive Success

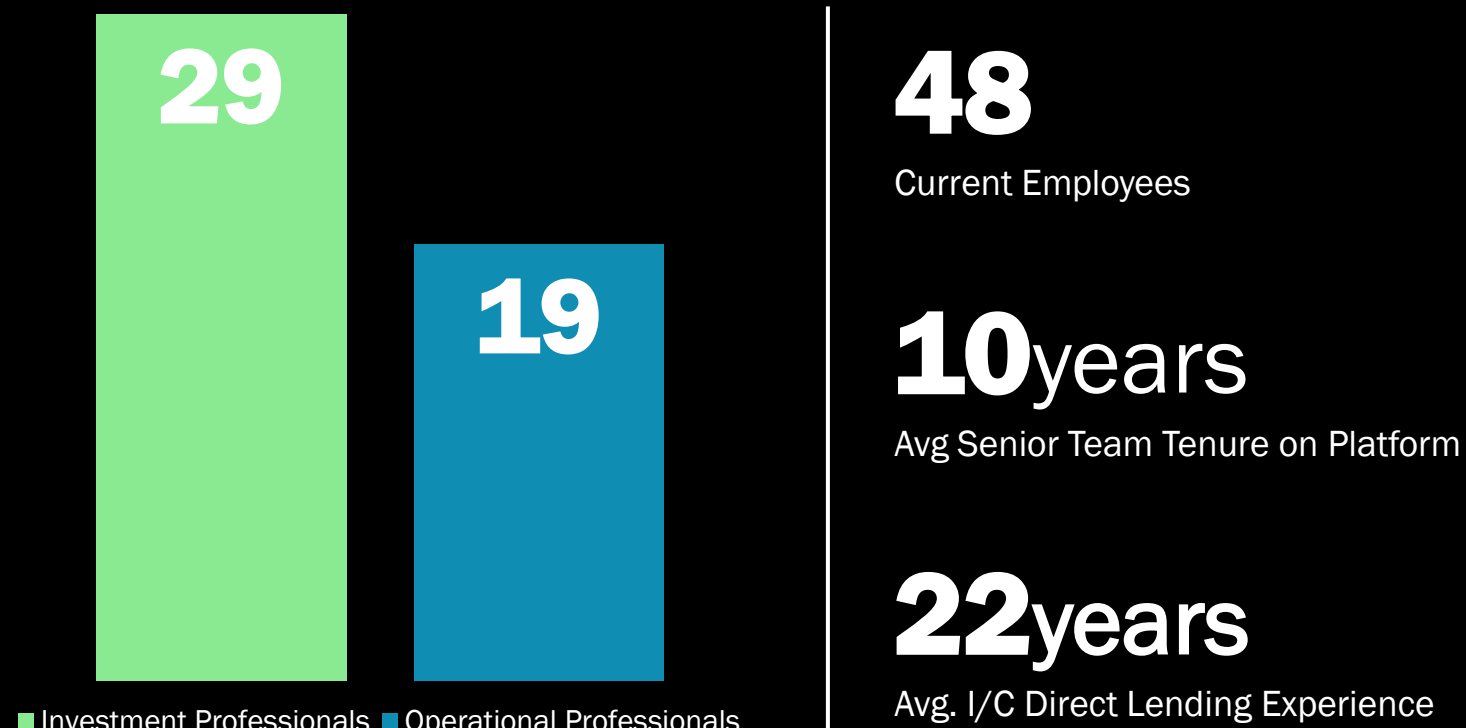
Tree Line's team has reached 48 investment and operations professionals, and we expect to be above 50 team members by year end. We have a strong and established senior leadership team that has meaningful operating leverage and long careers ahead. Tree Line has enjoyed strong retention since inception which has created an experienced group of Managing Directors, Principals, Senior Vice Presidents and Vice Presidents. Most of our hiring has been focused on junior investment and operational professionals to support our continued growth.

Tree Line's culture continues to differentiate the firm from others, which has led to many career-long relationships being formed. We've worked hard to protect the values we established as a small group when Tree Line was formed in 2014 and ensure they live throughout our culture and

offices as we continue to grow. Our national footprint has been an advantage to ensure we are able to attract top talent across the country. The team is well positioned to achieve its goals with no open roles currently being filled at the senior leadership team level.

Like all companies in this time, we are evaluating the impact AI can have on our firm. We are piloting and implementing a few AI tools to help with administrative or non-value added workstreams. We all will need to continue to monitor and evolve with how AI will play a role in our professional and personal lives, but we are seeing initial efficiencies in the areas such as loan servicing, account management and investor relations. We expect these tools to make our team stronger and more efficient, but we do not foresee AI replacing any roles we currently have at Tree Line.

Career Long Relationships



Positioned for Long-term Success

As we look ahead, Tree Line will continue to focus on the fundamentals that have always made private credit attractive. Consistent and strong performance starts with market segment and the underlying credit structures available within each segment. Private credit has grown tremendously over the past 15 years, yet the lower middle-market still offers opportunities to invest in historically conservative senior secured loans. These are senior secured loans that have an average leverage of less than 4.0x at close, maintain high fixed charge coverage, include no PIK component or PIK-toggle component, carry maintenance covenants and provide a credit document that can be utilized in the face of underperformance. The deals that we're structuring and the credit principles we are applying are reminiscent of the deals we did at GE Capital back in the early 2000s.

Our team has deep experience in private credit and offers investors a long-term, multi-fund relationship with a manager that values and works directly with every investor. Our platform, team, brand and reputation are all exceptionally strong and we intend to continue our work to offer our investors top tier performance. As Private Credit inevitably works through the noise and continues to achieve significant growth, we believe this vintage is yet another opportunity for manager and market segment differentiation. There are many choices in terms of where to invest, Tree Line offers investors an opportunity to invest in a senior secured strategy that is built on the fundamentals. Our team is uniquely positioned to deliver real value for the next decade and beyond to all of our stakeholders. We appreciate the support all of our investors and partners have shown us over the years, and we're working hard every day to continue to deliver exceptional, best-in-class performance.

We appreciate your support,
Tom, Jon, Frank

Top-Tier Platforms

STATE STREET GLOBAL ADVISORS
Fund Administration & Servicing

alterDomus*
Loan Servicing

cobalt
A FACTSET Company
Asset Management

TresVista
Finance & Administration

ERNST & YOUNG
Audit & Tax



The Macro Landscape

p. 22: Global Regime Change: *Rethinking Global Trade & Security*

p. 24: A Shifting Landscape: *US Economic Outlook*

p. 26: AI Arms Race: *Reshaping Capital Allocation*

Fragmenting Global Order

From Globalization to Strategic Regionalization

The Return of Economic Nationalism

The post-Cold War economic regime characterized by integrated global trade and US-led security arrangements is increasingly giving way to a fragmented multipolar world order. Strategic competition between the United States, China, Russia, and emerging regional blocs has accelerated the use of tariffs, export controls, sanctions, and industrial policy as tools of geopolitical influence. Recent policy developments — including renewed tariff escalation, semiconductor export restrictions, and friend-shoring initiatives — suggest governments increasingly prioritize economic security alongside growth objectives. Corporations are reassessing supply chain design and manufacturing footprints to reduce geopolitical exposure and improve operational resilience. Businesses dependent on multinational supply chains and foreign revenue exposure face increasing uncertainty surrounding costs, labor access, tariffs, and regulatory retaliation.

Domestically-oriented asset-light service businesses appear comparatively insulated from the direct effects of trade fragmentation and geopolitical volatility.

April 2025
“Liberation Day” Tariff
Announcements

March 2026
US-Iran War &
Hormuz Strait Closure

Dec. 2019
US-China Trade
Agreement
Negotiations

World Trade Uncertainty
Index⁽¹⁹⁾

A Shifting Landscape

Resource Competition, Reindustrialization & the Cost of Resilience

Supply Chain Security Comes at a Price

Governments increasingly view control over critical resources, industrial capacity, and supply chains as matters of national security rather than economic efficiency. The concentration of manufacturing and critical mineral processing within China's sphere of influence has exposed vulnerabilities across semiconductors, energy, pharmaceuticals, and industrial inputs. The US and allied nations have launched large-scale industrial policy initiatives aimed at reshoring strategic production capacity through subsidies, tax incentives, and direct state involvement. Programs such as the CHIPS Act and Inflation Reduction Act have accelerated domestic capital spending across semiconductor manufacturing, energy infrastructure, and industrial production. In addition, international programs like the "Pax Silica" initiative have sought to unite "trusted partners" to build completing (ex-Chinese) global semiconductor and AI supply chains, as well as shift the technology ecosystem from a "just-in-time" model to a regionalized "just-in-case" model.

While these efforts may improve long-term resilience, they are inherently inflationary due to higher labor costs, duplicated capacity, and reduced reliance on low-cost global production networks. These inflationary pressures have been exacerbated by conflict in the Persian Gulf resulting in the effective shut-down of the Strait of Hormuz – a critical global maritime chokepoint through which approx. 20% or more of global petroleum, LNG, urea (fertilizer), sulfur, helium, and other critical resources flow. In response, global Central Banks – including the US Federal Reserve – will be challenged in responding to growth headwinds and softening labor markets for fear of further stoking inflationary impulses, supporting the "higher for longer" rates framework.



Digital God or Icarus?

AI Arms Race Reshapes Capital Allocation

AI Infrastructure Arms Race & Strategic Capital Deployment

Artificial intelligence has emerged as one of the most strategically significant competitive arenas among global powers. Governments and private industry increasingly view leadership in AI, semiconductors, and computing infrastructure as critical to maintaining long-term economic and military competitiveness. This strategic urgency has accelerated massive capital investment cycles spanning data centers, semiconductor fabrication, electricity generation, transmission infrastructure, and advanced networking capacity. Public-private partnerships, tax incentives, and direct subsidies have increasingly blurred the line between government policy and private capital deployment.

Projected electricity demand associated with AI computing – which is expected to increase from 7% of total US power demand (292TWh) in 2026 to 12% (606 TWh) by 2030⁽¹⁸⁾ – will require a massive investment in power generation and transmission assets, forcing utilities and policymakers to reconsider long-term energy infrastructure planning. These infrastructure and power demands require significant amounts of energy and critical materials, access to which is likely to continue to dominate geopolitical strategy and further drive inflationary pressures over the coming years.

The Monetary Policy Trap

While the impact of AI – potentially combined with advanced robotics – may eventually usher in a new age of prosperity (and deflation); the current impact of the supporting infrastructure has driven an insatiable demand for power, water, semiconductors, and networking equipment that cannot be met under the current supply chain capacity. Demand for compute can be translated into demand for power generation & transmission (copper, aluminum, rare earths, and energy), advanced semiconductors (silicon carbide, copper, tin, helium, tungsten and rare earths), water, cement, steel, diesel, and other materials.

This investment cycle coincides with the end of a period where capital allocation to the materials and energy sectors has been proactively suppressed, resulting in rapid commodity price inflation – currently exacerbated by the Iran War and Hormuz closure. However, with Capital Markets and the Federal Government supplying a near endless amount of capital to support AI, the projects appear to show no signs of slowing and will simply outbid competing uses for materials and energy (driving more inflation).

For the Fed, who now sees spiking long-term bond yields and inflation metrics alongside a tepid labor market, their job has been made difficult. We believe they stay ‘on-hold’ for now until “something breaks”.

State of Private Credit: *LMM Poised to Differentiate*

p. 30: Retail Fundraising Seeing Pressure: *Reduces Competition
Allowing More Favorable Vintage Ahead*

p. 32: AI and Software in Focus: *Tree Line Maintaining Conservative
Posture on Software and Tech-Enabled Services*

p. 34: Private Credit Value: *Disciplined Structures Provide Advantage
to LMM*

p. 36: Market Segments Matter: *Opportunity Set for LMM Remaining
Robust Given Number of LMM Funds Raised*





Private Credit Retail Stats

\$11B

Retail Private Credit Fund Redemptions ⁽⁹⁾
(Prior 2 Qtrs.)

~24%

Estimated Retail and Mass-Affluent Investor Share of Private Credit Market ⁽¹⁰⁾

-48%

Change in Average Inflows to Retail Private Credit (YTD'26 v 2025) ⁽¹¹⁾

\$270B

Retail Non-Traded BDC Assets Under Management ⁽¹²⁾

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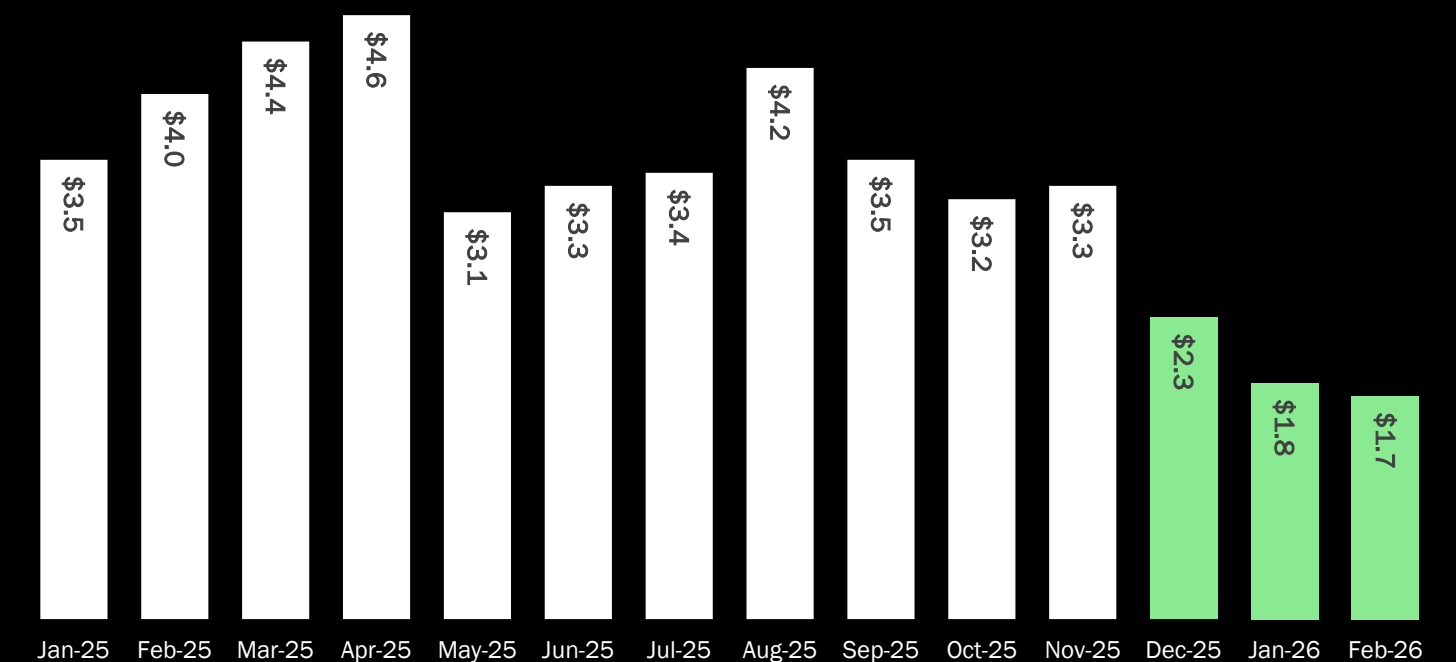
Retail Flight Risk

Large Cap Private Credit Retail Fundraising Under Pressure

Retail private credit has driven significant fundraising in recent years through the RIA channel in interval and evergreen funds from large-cap managers. These fund structures involve traditional 5% redemption limits to provide protection for managers in avoiding forced selling. However, in periods of volatility, such as following the market fallout from the First Brands bankruptcy as well as AI-driven software concerns, redemptions spike, are not met by managers and fuel discontent among a retail investor base.

As shown in the chart below, this has drastically cut inflows into these structures, resulting in less capital raising by the largest managers. This dynamic will reduce large cap managers' overall activity and take competitive pressure out of the lending market.

Private Credit Monthly Retail Inflows (\$ Billion)⁽¹¹⁾



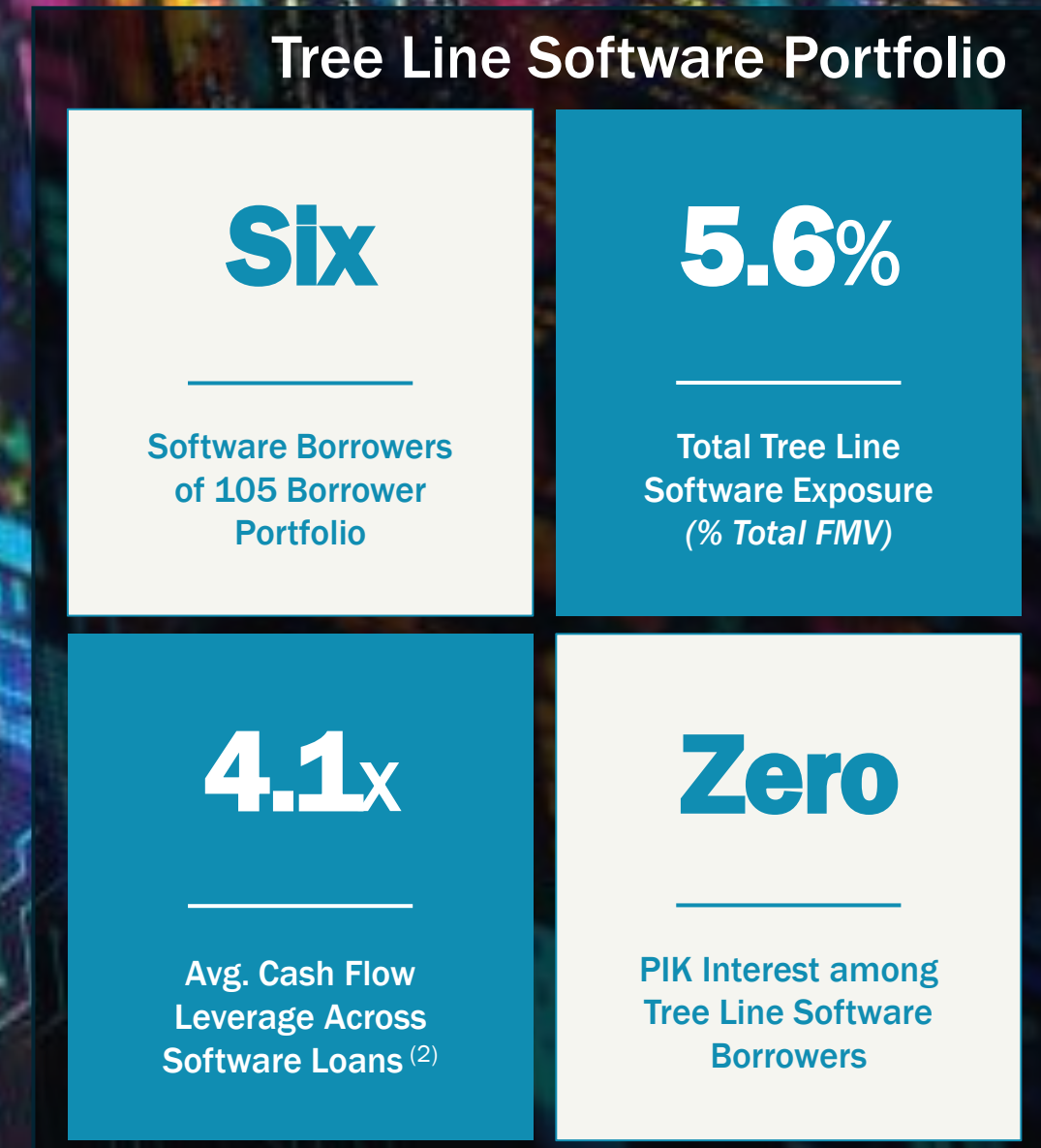
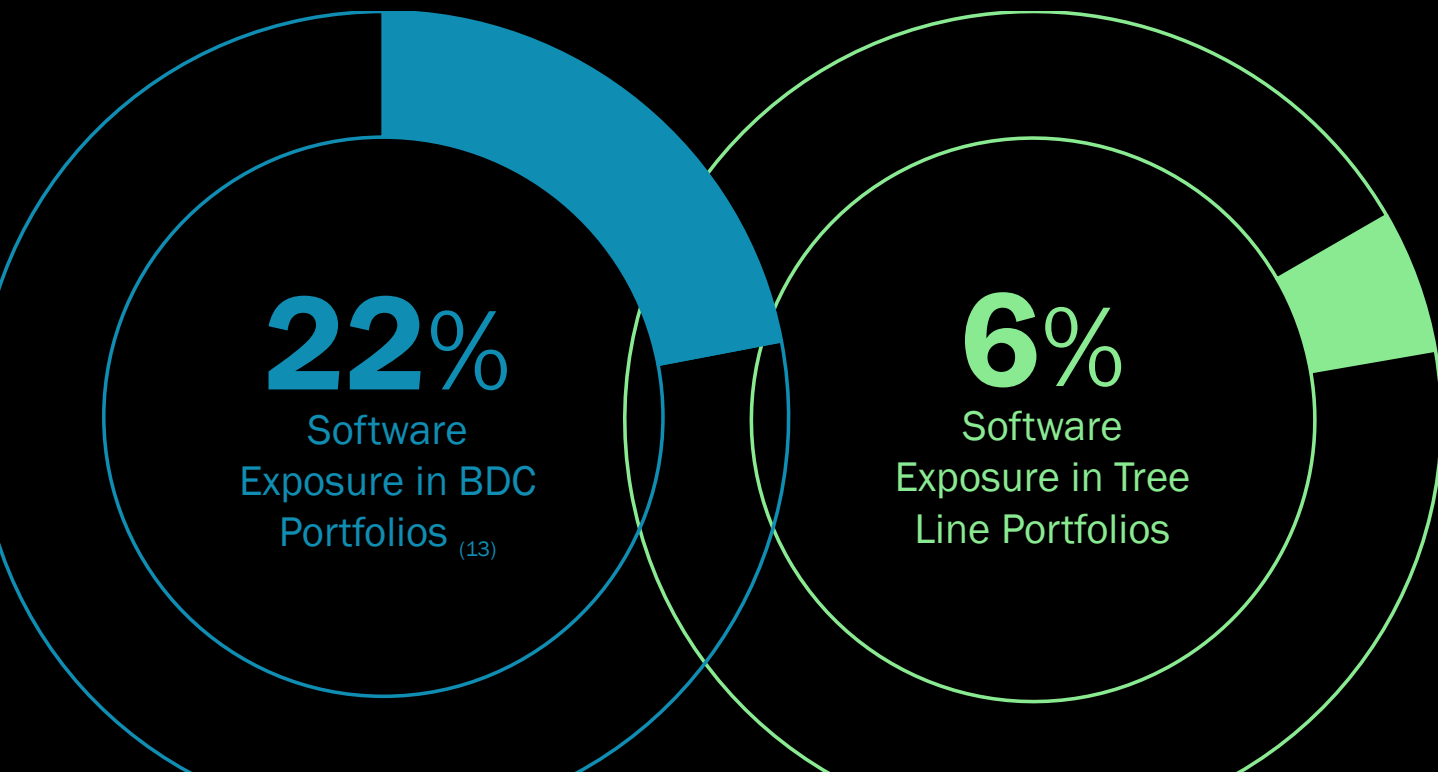
Software In Focus

Sector Balance & Diversification as a Key Credit Fundamental

Tree Line has maintained a conservative approach to software, with only six software borrowers in the portfolio today, of which only one is ARR-based. Credit metrics remain highly favorable with the five cash flow loans demonstrating consistent growth in EBITDA, a modest leverage at 4.1x⁽²⁾, and the one ARR loan having leverage at 0.6x. This contrasts to the broader private credit landscape, in which BDCs currently have an average of 22% in software exposure across their portfolios.

New allocations to software have been paused but Tree Line continues to monitor trends across its portfolio and new transactions to discern where AI could provide disruption.

Tree Line believes characteristics including sector specificity (as opposed to horizontal models), system of record status (providing high switching costs), and involvement of proprietary data (often in regulatory-mandated backdrops), provide mitigants to competitive pressure from AI.



Structural Advantage

The erosion of creditor protections and document quality has created structural risk asymmetries across market segments.

Covenants have been increasingly absent across middle and upper middle market underwritings, as compared to the lower middle market in which covenants are prevalent in 100% of deals. These protections bring LMM lenders to the table in advance of default or liquidity issues, allowing actions to be taken in terms of sponsor support, cost management, increased financial reporting, incremental economics and improved terms. The lack of traditional maintenance covenants seen upmarket can significantly limit a lender's ability to take action to protect collateral value and increase loan recoveries, especially when incentives become misaligned between sponsors, managers, and creditors.

PIK toggles are also highly prevalent outside of the lower middle market. These documentation features allow borrowers to convert cash interest requirements to additional principal, forestalling liquidity issues without addressing the underlying causes of underperformance. In combination with 'cov-lite' provisions, these factors can significantly constrain a lender's ability to proactively address deteriorating collateral values and lead to a significant erosion in loan recoveries.

Tree Line has maintained a conservative underwriting approach involving consistent lower leverage points relative to the middle market as well as downside protection given the presence of covenants.

Upper Middle Market vs. Tree Line

Upper Middle Market: Cov-Lite

74%

UMM Loans Underwritten on a Cov-Lite Basis⁽¹⁴⁾

Tree Line: Cov-Lite

0%

Tree Line Loans Underwritten Cov-Lite

UMM: PIK Toggles

41%

UMM Loans allow borrowers to convert cash interest to PIK at the borrower's election⁽¹⁵⁾

Tree Line: PIK Toggles

0%

No PIK toggle features in Tree Line portfolio

UMM: Closing Leverage

5.5x

UMM Loans struck at consistently higher leverage and LTV profiles⁽¹⁶⁾

Tree Line: Closing Leverage⁽²⁾

3.5x

Tree Line LMM Loan Portfolio has maintained conservative structuring

Focused on Our Lane

Lower Middle Market Private Equity Managers Continue to Drive the Vast Majority of New Funds

PE fundraising saw pressure in 2025 due to a variety of factors including macro uncertainty, reduced exit volume and sector specific concerns, resulting in total capital raised declining from \$602B in 2024 across 848 funds to \$414B in 2025 across 520 funds⁽¹⁷⁾.

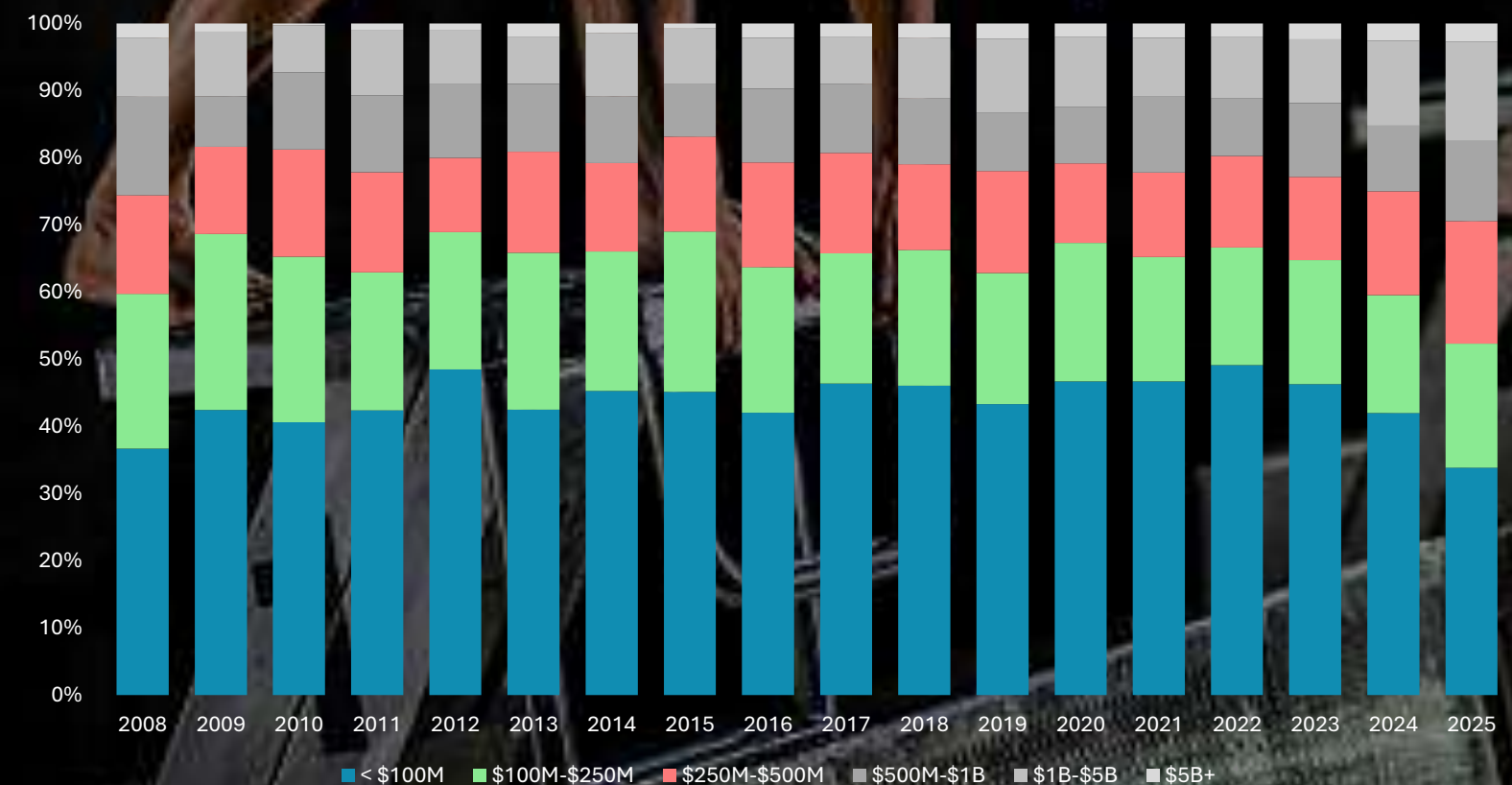
However, lower middle market fundraising continues to dominate the number of funds raised. Since 2008, over 70% of all private equity fundraising activity was driven by funds less than \$1B. This consistent fund formation in the lower middle market provides Tree Line with a dependable opportunity set of borrowers in need of debt capital, despite more challenging fundraising conditions for larger private equity managers.

Tree Line's origination engine averages over 12 closed deals annually with new private equity relationships, comprising a small portion of the several hundred LMM private equity funds raised annually.

Market Statistics: Private Equity Funds Under \$1B Raised in 2025

<p>83%</p> <hr/> <p>Percent Funds Raised (by Count)⁽¹⁷⁾</p>	<p>429</p> <hr/> <p>Number of Funds Raised</p>	<p>\$23B</p> <hr/> <p>Total Fund Capital Raised⁽¹⁷⁾</p>
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Historical PE Fundraising by Fund Size⁽¹⁷⁾





Tree Line: *Data & Relationships*

p. 40: Filtering Risk & Legal Protections *Utilizing our Data to Eliminate Risk Pockets*

p. 42: Sustained Outperformance *Data-Driven Underwriting Driving Consistent Performance*

p. 44: Global & Diversified Relationships *Tree Line Investor Base Continues to Expand with Multi-Fund Participation*

Risk Filters

Tree Line employs a consistent and structured approach to underwriting and managing risk.

Tree Line’s risk management approach starts with filtering out transactions with higher levels of structural risks and ends with a consistent credit agreement approach ensuring adequate creditor rights and remedies. The underwriting team utilizes our proprietary Scoring Algorithm which provides an objective measurement of a potential borrower’s stability and credit worthiness. It is meant to act as compass for Tree Line underwriting professionals to ensure opportunities fit our portfolio construction philosophy. This tool alongside rigorous underwriting, deep due diligence, and sector selection set Tree Line apart from its peers and resulted in consistent performance over 11+ years of operation.

In addition to a highly focused underwriting, Tree Line transactions have consistently structured credit agreements ensuring our rights as a senior secured lender are always protected. These rights provide Tree Line with a significant advantage in the face of borrower under performance or adverse exogenous events. Covenant defaults bring us to the table with sponsors and management teams well in advance of any potential liquidity event or loan impairment, allowing us to ensure maximum recovery and protection of principal. This is in stark contrast to documentation upmarket where covenants are either loose (or not present at all) and documents allow for myriad collateral shifting transactions that serve to further impair creditors to the benefit of owners or third-parties.

Legal Protection	Upper Middle Market	Tree Line / LMM
Proxy Notice	3-5 Days	No Notice
PIK Toggle	Common	Not Permitted
Cash Dividend	Common	Highly Restricted
Addback Caps	Often Uncapped	20-30%
Forward Synergies	Common	Not Permitted
Unrestricted Subs	Common	Not Permitted
Cov-Lite	Common	Not Permitted

Scoring Algorithm: Implemented 2019

Metric	Target	Factor	Actual	Score
Leverage	3.75x	Target - Actual	3.50x	0.25
Fixed Charge Coverage	1.50x	(Actual - Target) × 2	1.80x	0.60
EBITDA Margin %	15.0%	(Actual - Target) × 10	18.0%	0.30
Stability	3	Years Servicing Debt / 3	2	0.67
Growth Trend	3	Years Consecutive Growth / 3	3	1.00
Credit Score				2.82

Sustained Outperformance

Data driven underwriting generates consistently superior results

Tree Line has closed 505 transactions during its nearly twelve years of operations representing \$7.6 billion dollars in commitments. A relentless focus on principal preservation coupled with a growing lower middle-market opportunity set has generated strong returns for more than a decade. As illustrated, Tree Line's funds have materially outperformed each of the Cambridge Associates' indices.

Additionally, Tree Line has meaningfully outperformed on a Total Return basis. Cliffwater's recent research comparing lower middle-market performance to upper middle-market performance, presents valuable data in understanding the value a lower middle-market allocation can have on a portfolio. Importantly, Tree Line meaningfully outperforms both market segments which we attribute to our data-driven approach.

Consistent Fundamentals. Superior Results.

\$7.6B

Commitments Closed Since Inception

+0.01%

Ann. Realized Gain/(Loss) Since Inception (incl. Interest)

Rigorous Underwriting. Exceptional Portfolio Performance.

\$62M

Avg. LTM Revenue (at Close)⁽⁵⁾

\$129M

Avg. LTM Revenue (at Current/Exit)

108%

Avg. Growth in Adj. EBITDA from Close to Current/Exit

\$13M

Avg. LTM Adj. EBITDA (at Close)

\$24M

Avg. LTM Adj. EBITDA (at Current/Exit)

85%

Avg. Growth in Adj. EBITDA from Close to Current/Exit

Global Relationships

Tree Line seeks to establish long term, multi-fund relationships with a growing global LP Base

Tree Line delivers investors access to a unique and differentiated part of the direct lending market through a variety of commingled fund structures in addition to customized SMA's, which are designed to fit individual investor needs. Our goal as a firm is to provide compelling current returns coupled with conservatively structured portfolios thus reducing the volatility experienced by our investor base.

Tree Line's LP base has global reach with blue chip institutional investors across North America, Europe and Asia. We believe transparency in reporting are critically important and our investor base benefits from comprehensive quarterly reports, white papers, and our annual Ascend Report which canvases our private equity partners to aggregate and synthesize valuable market insights.

10

New Intuitional Investors added since last annual report

6

Consulting firms have approved Tree Line for their clients

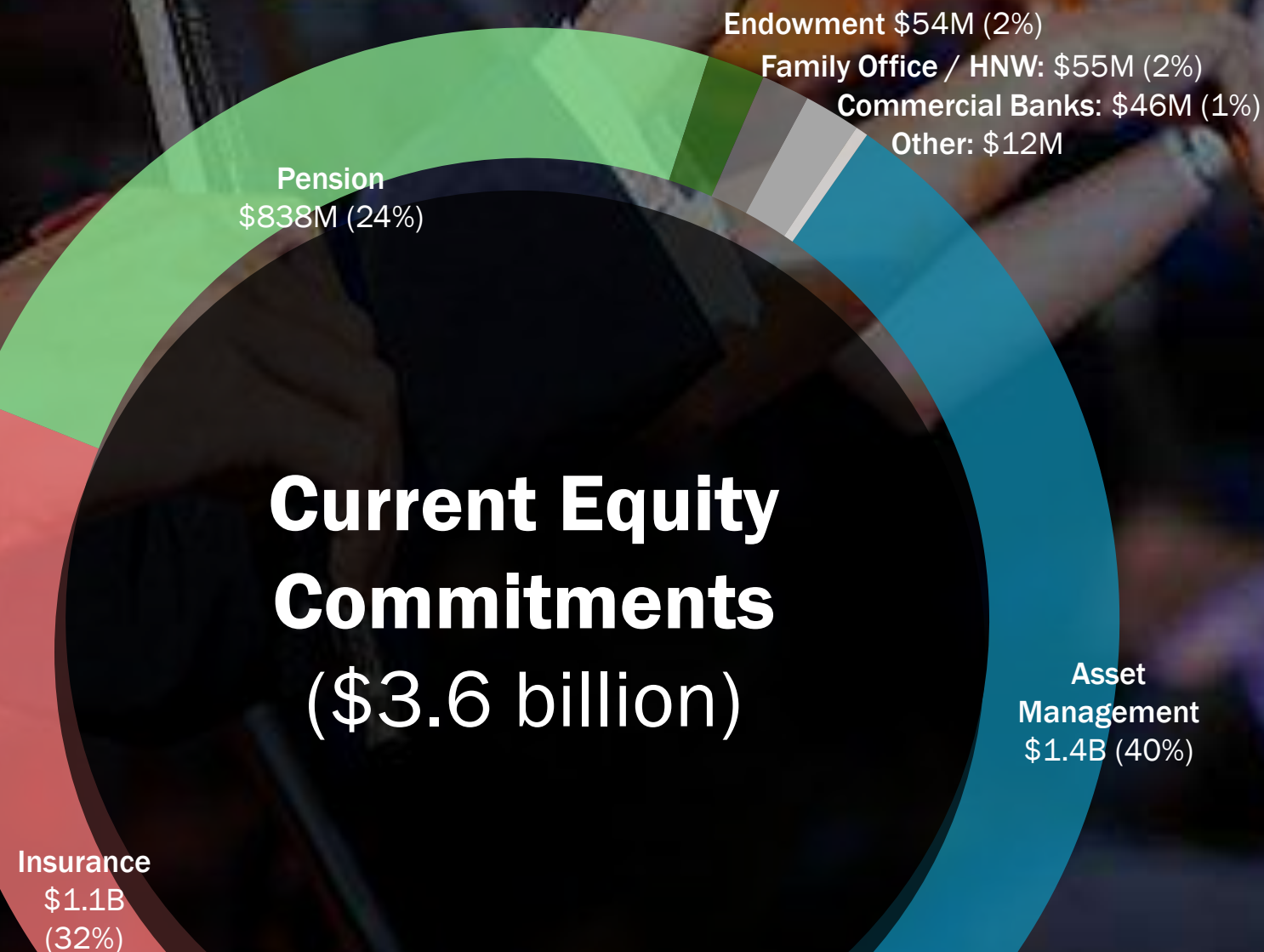
100%

Institutional LPs Invested in More than One Tree Line Fund

~400%

Increase in Capital Commitments since Inception

Current Equity Commitments (\$3.6 billion)



Disclaimer

Opinions

Opinions expressed in this document are those of Tree Line Capital Partners, LLC as of May 2026 and are subject to change.

Tree Line Data Points

All performance data is as of December 31st, 2025, unless otherwise noted.

The information provided herein with respect to All Funds 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 All Funds or any other existing or to be formed issuer. Investments in TLCS, TLDL IV and TL SBIC 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.

An investment in All Funds is speculative and involves a high degree of risk, including risks related to the use of leverage. The performance of All Funds, and their investments may be volatile. An investor may lose all or a significant amount of its investment. It is anticipated that there will be no secondary market for such interests and, in the event that an investor is unable to redeem its interests, the interests will be illiquid. Further, such interests will be subject to legal and contractual restrictions on transfer. The performance of debt investments could be adversely affected if the issuers of the instruments default or if events occur that reduce the creditworthiness of those issuers. If a note or other debt instrument were to become subject to such an event, the value of the instrument could be significantly reduced, conceivably to zero. Investment in such interests is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risk and lack of liquidity inherent in the investment.

This presentation contains forward-looking statements relating to the plans, objectives, opportunities, future performance and business of Tree Line Capital (as defined on the Footnotes / Glossary page) and the future performance of the debt markets in North America generally. Statements regarding anticipated returns, forecasts and projections rely on a number of economic and financial variables and are inherently speculative. Forecasts relating to market conditions, returns and other performance indicators are not guaranteed and are subject to change without notice. Forecasts are based on complex calculations and formulas that contain substantial subjectivity and no express or implied prediction is made hereby with respect to All Funds. There can be no assurance that market conditions will perform according to any forecast or that Tree Line Capital will achieve its objectives or that investors will receive a return of their capital. Target returns are based on a number of assumptions related to the market factors relevant to the proposed investment strategy, including, but not limited to, interest rates, supply and demand trends, and the terms and costs of debt financing.

Further, past performance is not indicative of future results. Investors are cautioned not to place undue reliance on any forward-looking statements or examples included in this presentation and Tree Line Capital does not assume any obligation to update any forward-looking statements.

To the extent specific securities are referenced herein, they have been selected by Tree Line Capital on an objective basis to illustrate the views expressed in the material. Such references do not include all material information about such securities, including risks, and are not intended to be recommendations to take any action with respect to such securities. Tree Line Capital is not responsible for any damages or losses arising from any use of this material.

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Any hypothetical performance has been provided for illustrative purposes only and is not necessarily, and does not purport to be, indicative, or a guarantee, of future results. Hypothetical performance includes any performance targets, projections, multi-fund composites, pro forma returns adjustments, underwriting cases or other similar presentations and represents performance results that no individual fund, portfolio or investor has actually achieved. Any preparation of hypothetical performances involves subjective judgments and is based on underlying assumptions. Because it does not represent the actual performance of any fund, portfolio or investor, hypothetical performance is subject to various risks and limitations that are not applicable to non-hypothetical performance presentations.

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Important footnotes

TLDL refers to Tree Line Direct Lending, LP. *TLDL* is managed by Tree Line Capital (as defined below). 2014 vintage fund.

TLDL (SC) refers to Tree Line Direct Lending Swiss Capital, LP. *TLDL (SC)* is managed by Tree Line Capital (as defined below). 2019 vintage fund.

TLDL II refers to Tree Line Direct Lending II, LP. *TLDL II* is managed by Tree Line Capital (as defined below). 2019 vintage fund.

TLDL III refers to Tree Line Direct Lending III, LP. *TLDL III* is managed by Tree Line Capital (as defined below). 2021 vintage fund.

TLDL IV refers to Tree Line Direct Lending IV, LP. *TLDL IV* is managed by Tree Line Capital (as defined below). 2024 vintage fund.

TLCS refers to Tree Line Credit Strategies, LP. *TLCS* is managed by Tree Line Capital (as defined below). 2015 vintage fund.

ESBIC II refers to Enhanced SBIC II, LP, a successor fund to SBIC I that is managed by Tree Line Capital. 2020 vintage fund.

TL SBIC refers to Tree Line SBIC, LP, a successor fund to ESBIC II that is managed by Tree Line Capital. 2024 vintage fund.

Tree Line Funds refers to *TLDL*, *TLDL II*, *TLDL III*, *TLDL IV*, *TLCS*, *ESBIC II*.

Tree Line Capital, **Tree Line**, and **TLCP** refers to Tree Line Capital Partners, LLC.

1. *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.
2. *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.
3. *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.
4. *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.
5. 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.

6. *Redacted.*
7. *Redacted.*
8. *Redacted.*
9. *Robert A. Stanger & Co., as of 3/26/26.*
10. *Financing the Economy in 2025, Houlihan Lokey and Alternative Credit Council.*
11. *Robert A. Stanger & Co., as of 2/28/26.*
12. *Reuters and Eversheds Sutherland, as of 3/12/26.*
13. *KBRA, as of 2/5/26.*
14. *S&P Global Ratings as of 2024.*
15. *S&P Global Ratings as of 2024.*
16. *KBRA, as of 3/31/26.*
17. *Pitchbook Q4 2025 Global Private Market Fundraising Report.*
18. *Global Energy Perspective, 2023, McKinsey.*
19. *World Uncertainty Index.*

This document is an edited version of the Annual Report prepared for existing LPs. Certain performance-related sections have been redacted, and as a result, some footnotes referenced within the full report may not appear in this version.