

TPG Global Advisors, LLC

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Part 2A of Form ADV: Firm Brochure
March 31, 2014

This brochure provides information about the qualifications and business practices of TPG Global Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (817) 871-4000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about TPG Global Advisors, LLC also is available on the Securities and Exchange Commission's website at www.adviserinfo.sec.gov.

An investment adviser's registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

This Brochure, dated March 31, 2014, serves as an update to Global’s Brochure dated November 2013 (the “Prior Brochure”). This Brochure contains routine annual updates to the Prior Brochure, as well as certain other updates, including those regarding payments of fees and expenses by advisory clients and portfolio companies, services provided to, and fee structures of, certain new advisory clients, and conflicts of interest.

In addition, a new investment adviser, TPG Real Estate Advisors, LLC, and its related management company will utilize the services of certain relying advisers registered on Global’s Form ADV. While TPG Real Estate Advisors, LLC has no assets under management as of the date of this filing, it anticipates serving as investment adviser to a newly formed real estate Fund in the near future.

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ITEM 4 – ADVISORY BUSINESS

For purposes of this brochure, “Global” or the “Registrant” means TPG Global Advisors, LLC, together (where the context permits) with Global subsidiaries that provide investment advisory services. Global provides investment advisory services to affiliated management companies (the “TPG Management Companies”) and, together with the TPG Management Companies, to pooled investment vehicles, including collateralized loan obligation issuers (“CLOs”), that are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”) and to certain individual investors through separately managed account arrangements (collectively, the “Funds”). The investors in the Funds are primarily “qualified purchasers,” as defined in the Investment Company Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, limited partnerships and limited liability companies.

TPG Management Companies also serve as the sponsor of entities that act as feeder vehicles into certain Funds. Additionally, in order to meet tax, regulatory or other requirements, certain investors may invest in substantially the same portfolio as the applicable Funds through specially formed investment vehicles, which also are advised by Global.

TPG Management Companies from time to time also may form capital around a particular strategy or theme, or may establish, on a transaction-by-transaction basis, investment vehicles and accounts through which certain persons may generally invest alongside one or more Funds (each such pooled investment vehicle and account, a “Co-Investment Vehicle”). Generally, when a Co-Investment Vehicle is established for a particular transaction, it is contractually required, as a condition of its investment, to exit its investment at the same time and on the same terms as the applicable Fund that also is invested in such transaction. However, in certain cases, a Co-Investment Vehicle established for a particular transaction will not invest in the transaction on the same terms as the applicable Fund that also is invested in such transaction.

The only advisory clients of Global are the Funds and certain Co-Investment Vehicles (collectively, the “Global Vehicles”) and the TPG Management Companies (together with the Global Vehicles, the “Global Advisees”).

The Registrant was formed as a Delaware limited liability company in 2011. The principal owners are, indirectly, David Bonderman and James Coulter.

As an investment adviser, Global identifies investment opportunities and participates in the acquisition, management, monitoring and disposition of investments for Global Advisees. Global’s investment advisory services include those related to (i) private equity investments in various industries, including leveraged acquisitions and recapitalizations, turnarounds, traditional buyouts and investments in growth companies; (ii) special situation and credit investments; and (iii) investments in, among other things, performing and distressed bank and other loans, high yield bonds, investment grade bonds, mezzanine/private placements, structured products, credit-based securities and claims, swap transactions (including total rate of return swaps and credit default swaps), derivative instruments, equities, short sales, currency hedging transactions,

financings and debt originations, real estate, energy assets, securities lending arrangements and repurchase agreements, in each case to the extent consistent with the applicable Global Advisee's investment objectives and strategies. Global's investment advisory services also include private equity and debt investments in a range of real estate-related strategies, including private platform, corporate control, and public company investments (including PIPEs, corporate "carve-outs" and public-to-private transactions) relating to, among other things, office, industrial, retail, condominium, apartment, single-family residential, and assisted living properties in the United States and certain non-U.S. jurisdictions. Such investments may take the form of privately-negotiated investment instruments, including unregistered equity securities of both U.S. and non-U.S. issuers or securities, bonds, equities and other securities (including asset-backed and other structured securities), loans (including bank loans), receivables, assets, claims, derivatives (including those that derive their value from the foregoing), all from a broad range of issuers and counterparties in a broad range of markets, and in each case to the extent consistent with each applicable Global Advisee's investment objectives and strategies (please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss, below).

Global generally provides investment advisory services to each Global Advisee pursuant to a separate advisory services agreement with the applicable TPG Management Company (each, an "Advisory Services Agreement"). The terms of the investment advisory services to be provided by Global to a Global Advisee are set forth in the applicable Advisory Services Agreement. Investment guidelines for the Global Vehicles, if any, are generally established in the organizational or offering documents of the applicable Global Vehicle and/or side letter agreements negotiated with investors in the applicable Global Vehicle. Investment advice is provided directly to the Global Vehicles, and not individually to the investors in the Global Vehicles.

TPG Management Companies or their related entities also may enter into side letter agreements with certain investors in the Global Vehicles providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information, notice or report rights, co-investment rights, and liquidity or transfer rights. While the TPG Management Companies and their related entities have no obligation to offer all such additional rights, terms or conditions, to any other investor in such Global Vehicles, except to the extent required by the organizational or offering documents of the applicable Global Vehicles, the TPG Management Companies and their related entities generally disclose the existence of such arrangements to all limited partners of the relevant Global Vehicles. Once invested in a Global Vehicle, investors generally cannot impose additional investment guidelines or restrictions on such Global Vehicle.

As of January 1, 2014, Global managed on a discretionary basis a total of \$58,971,100,000 of client assets.

ITEM 5 – FEES AND COMPENSATION

Global generally receives asset-based investment advisory fees from the applicable TPG Management Companies pursuant to each Advisory Services Agreement. Such investment advisory fees are based on fees received by the TPG Management Companies from the Global

Vehicles, as described below. Advisory fees paid by a Global Vehicle are indirectly borne by investors in such Global Vehicle. The Global Vehicles' advisory fees are deducted from Global Vehicle assets and are generally payable quarterly or semi-annually in advance, depending upon the Global Vehicle. The amount of any Global Vehicle's investment advisory fee is prorated for periods of less than a full billing cycle at the beginning or end of the provision of investment advisory services, and any prepaid amount in excess of the prorated fee will be returned upon termination of investment advisory services.

The precise amount of, and the manner and calculation of, the advisory fees for each Global Vehicle are established by the applicable TPG Management Company, as modified by negotiations with investors in the applicable Global Vehicle, and are set forth in such Global Vehicle's Advisory Services Agreement, organizational documents, offering documents and/or other documentation received by each investor prior to investment in such Global Vehicle (together with any applicable side letters, "Governing Documents").

Global receives expense reimbursements (other than expenses resulting from the fraud, gross negligence or willful misconduct of Global) from each TPG Management Company. In turn, for certain Funds, expense reimbursements (including, among other things, expenses related to in-house services and employees or consultants providing accounting, tax or operational support, specialized operations/consulting services, regulatory or legal advice, or related or similar services to the Global Vehicles or their portfolio companies) may be payable by the Funds to the applicable TPG Management Company or its affiliates. These Fund expense reimbursements are generally disclosed to investors under the Governing Documents. These expense reimbursements are in addition to the investment advisory fees discussed above. Consistent with the Governing Documents of the Funds, each Fund also generally bears all of the expenses relating to its activities, operations and meetings (other than expenses resulting from the fraud, gross negligence or willful misconduct of its general partner, the applicable TPG Management Company or Global) including, without limitation, fees, costs and expenses directly related to the discovery, investigation, development, making, management, monitoring and disposition of investments (including any such costs and expenses incurred by the applicable TPG Management Company and Global and any such costs and expenses relating to potential investments that are not consummated); fees and expenses of brokers, custodians, consultants, (including, but not limited to, consulting fees incurred by the applicable Fund for the benefit of its portfolio company), third party valuation agents, economists, counsel, tax professionals and accountants; clearing and settlement charges; the cost of insurance; any taxes, fees or other governmental charges levied against the Fund; expenses relating to any audit, investigation, governmental inquiry or public relations undertaking; due diligence, research and investment-related travel expenses; the costs and expenses of any indemnification or litigation relating to the activities or operation of the Fund and the amount of any judgments or settlements paid in connection therewith, relating to the business, activities and interests of the Fund; and any other expense not specifically identified in the Governing Documents as being paid by Global. For more information on Brokerage Practices, see Item 12 below.

In certain cases, a Co-Investment Vehicle or other co-investor may evaluate a potential investment alongside a Fund. If the potential investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment may be borne entirely

by the Fund or Funds selected by Global as proposed investors for such proposed investment, rather than the Co-Investment Vehicle or other co-investor.

The collateral management fees for certain Funds, namely the CLOs, accrue quarterly and are payable in arrears only to the extent that funds are available in accordance with the priority of payments described in each such CLO's indenture. The applicable TPG Management Company may also receive an incentive fee in respect of its management of CLOs as set forth in each CLO's indentures and/or the related Advisory Services Agreement. Incentive fees are also only payable to the extent that the performance metric has been achieved on a payment date and funds are available for such purpose on such payment date in accordance with the priority of payments described in the relevant CLO's indenture.

With respect to Co-Investment Vehicles, any fees to be received by a TPG Management Company are generally negotiated on a vehicle-by-vehicle basis, but may include asset-based fees and expense reimbursements or non-advisory administrative fees similar to those described above for the Funds.

In addition, TPG Management Companies or the affiliated general partners of the Global Vehicles may receive customary transaction fees, acquisition and disposition fees, monitoring and directors' fees, organization, financing, divestment, break-up and topping fees, commitment fees, financial consulting fees, advisory fees, origination fees and other fees ("Other Fees") for services provided to portfolio investments of the Global Vehicles related to the making, disposition or management of portfolio investments by the Global Vehicles ("Related Services"). These Other Fees may be substantial, are generally not negotiated on an arm's length basis, and may be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although these fees for Related Services are in addition to the advisory fees, TPG Management Companies will in some circumstances be obligated to reduce the amount of advisory fees paid by the applicable Global Vehicle by an amount equal to all or a portion of such fees for Related Services. The specific amount and manner of such reduction is generally set forth in the Governing Documents of the applicable Global Vehicle. Furthermore, a Global Vehicle will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee allocable to another entity, including, if applicable, a Co-Investment Vehicle. As some Global Vehicles do not pay advisory fees (*e.g.*, certain Co-Investment Vehicles), any such reduction will not benefit such Global Vehicles. There are also circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of such fees. Additionally, a portfolio company may reimburse a TPG Management Company for expenses (including without limitation travel expenses, which may include expenses for business or first class travel, and meals and entertainment expenses) incurred by the TPG Management Company in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of "Other Fees" under the terms of the applicable Governing Documents, and such reimbursements are not subject to the reduction arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

From time to time, Global may (in its sole discretion), agree to pay a portion of a transaction or other fee received from an actual or prospective portfolio company to a third party ("Third Party Fee"), such as a consultant, advisor, finder, broker and/or investment bank. In such event, the Third Party Fee is not a fee that Global is entitled to retain and therefore, the Adviser is not required under the terms of the applicable Governing Documents to share such Third Party Fee with the Global Vehicles.

In addition, Global or its managing directors or employees, on behalf of Global, may receive stock of a portfolio company as an Other Fee due to service of a managing director or employee of Global on the board of such portfolio company. In the event of such a distribution or receipt of stock, the recipients, or Global, with respect to stock received as an Other Fee, may act in their own interest with respect to the share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as such recipient, or Global, shall determine. The ability of such recipients, or Global, with respect to stock received as an Other Fee, to act in their own interest with respect to such distributed shares creates a conflict of interest between Global, as an adviser to the Global Vehicle, and its related persons, on the one hand, and the Global Vehicle.

Global and its affiliates also engage and retain senior advisors, advisers, consultants, and other similar professionals who are not employees or affiliates of Global and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by Global and its affiliates and such amounts will not be subject to the sharing arrangements described above.

The Registrant has an affiliate, TPG Capital BD, LLC ("TPG BD"), which is a broker-dealer registered with the Securities and Exchange Commission and a FINRA member. TPG BD places securities and instruments issued by certain private investment funds that Global, together with the TPG Management Companies, and related entities manage individually or through their principals, as well as securities and instruments issued by other entities not related to Global or its related entities. In addition, TPG BD may participate in underwriting syndicates and/or selling groups with respect to the securities and instruments of portfolio companies of certain Global Vehicles or may otherwise be involved in the public or private placement of such securities or instruments and the syndication of opportunities to co-invest in portfolio companies alongside certain Global Vehicles and third parties, and/or may provide advisory services to such portfolio companies. TPG BD may act as lead underwriter in such syndicates or groups. In connection with these transactions, TPG BD may directly or as part of an underwriting syndicate buy from such portfolio companies of Global Vehicles the securities issued. TPG BD may also, in some cases, act as a broker in transactions on behalf of Global Vehicles. Also, TPG BD or other affiliated entities may, alone or with other parties, arrange lines of credit to Global Vehicles, portfolio companies of Global Vehicles and third-party borrowers. TPG BD and other affiliates of Global may receive fees, commissions and other compensation in respect of the activities described above. While such fees, commissions and other compensation are believed by Global to be reasonable and generally charged at rates that Global believes are at market rate for the relevant activities, such compensation may not in each case be negotiated at arm's length and from time to time may be in excess of fees, commissions or other compensation that may be

charged by an unaffiliated party. Global Vehicles generally will not have the right to share in, or have management fee offsets for, any compensation received by TPG BD. See Item 11 below for more information regarding TPG BD.

Additionally, portfolio companies of Global Vehicles may also be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Global Vehicles that may involve fees and/or servicing payments to Global or its affiliates. For example, portfolio companies are generally afforded the option (but are not required to) participate in a program with Global, its affiliates and other portfolio companies pursuant to which consultants of an affiliate of Global negotiate favorable procurement arrangements. As part of this program, an affiliate of Global receives fees from portfolio companies choosing to participate in the program (such fees being designed to cover the cost of administering the program) and Global and its affiliates are entitled to the favorable procurement terms. These fees generally are not subject to management fee offsets or otherwise shared with the relevant Global Vehicles.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Funds (other than CLOs) generally allocate a portion of their investment profits to their general partners, which are affiliated with Global, as a carried interest, as set forth in each Fund's Governing Documents. CLOs generally allocate a portion of their excess cash flow above a hurdle rate to their investment advisers in accordance with the relevant CLO's indenture and Advisory Services Agreement. Co-Investment Vehicles also, in some cases, may allocate a portion of the Co-Investment Vehicles' investment profits to their general partners, which are affiliated with Global, as a carried interest, as set forth in the relevant organizational documents for the Co-Investment Vehicles. Such general partners' entitlement to performance-based distributions may create an incentive for Global to take risks in advising the Global Advisees that it would not otherwise take in the absence of such arrangements.

Additionally, the allocation of carried interests or excess cash flow, as applicable, at different rates, or subject to different hurdle rates, may create an incentive for Global or its affiliates to disproportionately allocate time, services or functions to Global Advisees allocating carried interests or excess cash flows at a higher rate (or subject to a lower hurdle rate), or to allocate investment opportunities to such Global Advisees. However, as described above, performance compensation and management fees are not charged to all Funds. The variation of compensation structures among Global Vehicles may create an incentive for Global to disproportionately allocate time, services or functions to Global Vehicles that pay or allocate performance compensation (or higher performance compensation) or management fees (or higher management fees), or to allocate investment opportunities to such Global Vehicles. Global has adopted policies and procedures that, among other things, seek to ensure that investment opportunities are allocated in a manner that Global believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. See Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by Global.

ITEM 7 – TYPES OF CLIENTS

See Item 4 – Advisory Business.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

For the purposes of this Item 8, “Global” shall refer to “Global, together with the applicable TPG Management Company,” except where context otherwise requires.

Methods of Analysis and Investment Strategy – Private Equity

Global primarily seeks to make significant investments in operating companies through acquisitions and restructurings. In evaluating potential portfolio companies, Global conducts extensive due diligence to analyze, among other things, the company’s market and competitive position within that market, the company’s cost and revenue structures, the company’s unique assets, such as brand strength, distribution capability and intellectual property, the company’s management team and compensation structure, the company’s contingent liabilities (environmental, regulatory, accounting or otherwise), the company’s potential growth opportunities and potential exit strategies.

Global employs a worldwide network and an integrated investment process. Global seeks to establish a comprehensive view of key investment issues, including operations, competitors and regulatory constraints, across geographies. Funds are integrated through one centralized investment review process, from sourcing through portfolio management.

In each Fund, Global seeks to build a portfolio that is diversified with respect to transaction type, geographical exposure (as distinct from “domicile”) and sector. Global also generally seeks to maintain investment balance across industries that it believes are stable or otherwise attractive and industries with attractive long-term growth trends. Global aims to identify “second derivative” correlations to avoid overweighting to single macroeconomic factors that may affect different industries and geographies. Global also sources and presents to investors in certain Funds investment opportunities tailored to meet pre-determined investment strategies, and such opportunities may be pursued through a one-investor Fund that represents a separately managed account for such investor. Such strategies include making investments with shorter durations and different targeted returns than those found in traditional private equity Funds. Investments in Funds that represent separately managed account arrangements may be made on a discretionary basis, and such investments may or may not be made alongside other Funds.

Global seeks to identify operational enhancements during due diligence and to add value to portfolio companies following an acquisition. Global utilizes creative operational and financial strategies throughout the portfolio companies’ evolution. Global employs a group of operating professionals with significant career experience in senior corporate roles and/or global management consulting firms. Global also employs a group of professionals with highly focused functional specializations.

Methods of Analysis and Investment Strategy – Private Equity (Asia)

In Asia, Global focuses on large, complex, control and non-control transactions, executing operational change, sourcing proprietary transactions, utilizing deep sector expertise and developing a differentiated portfolio mix. In particular, Global focuses on operationally-intensive, transformational opportunities.

Global's goal is to maximize value by enhancing operations in Fund portfolio companies. Global believes that gaining levers of influence in situations in which a Fund does not acquire a majority of the underlying voting shares requires creative transaction structuring, thorough understanding of local regulatory and political restrictions, credibility as a partner and local relationships.

Global seeks geographic diversification to help mitigate country-specific risk. Global believes the ability to maintain flexibility is critical in Asian investing given the geographically expansive region and the variation in the maturities of the economies. As a pan-Asian investor, Global invests in both developed and developing countries, which yield different investment opportunities from traditional leveraged buyouts (LBOs) to growth equity. In more developed markets, such as Australia, Hong Kong, Japan, South Korea and Taiwan, opportunities often more closely resemble traditional LBOs found in the United States and Europe. Debt is generally available, and these markets have more large capitalization, mature companies in which to invest. In contrast, many of the opportunities found in lesser developed countries, such as China, India and Indonesia, tend toward growth capital in nature. These regions are characterized by rapid industrialization and thus yield higher economic growth and have commensurately greater risk. Accordingly, there is much more emphasis on "equity control investments," because debt is more difficult to obtain and may be inappropriate given the greater operating risk profile.

Methods of Analysis and Investment Strategy – Private Equity (Growth)

Global's growth investment team focuses on smaller private equity deals, and primarily seeks investments in companies requiring an average equity commitment between \$25 million and \$100 million. Global's growth Funds invest primarily in small- and middle-market growth equity and buyout opportunities and use Global's substantial institutional resources to contribute to thematic insight, sourcing and investment diligence with the aim of enhancing investment returns.

Global conducts extensive due diligence to analyze, among other things, the company's market and competitive position within that market, the company's cost and revenue structures, the company's unique assets, such as brand strength, distribution capability and intellectual property, the company's management team and compensation structure, the company's contingent liabilities (environmental, regulatory, accounting or otherwise, the company's potential growth opportunities and potential exit strategies).

Global pursues investments in three main categories: (i) proactive sector- or geography-based themes that are consistent with accumulated Global expertise and views on the market, (ii) companies in which Global platform capabilities and portfolio create differentiated investing views, and (iii) classic middle-market opportunities in which Global can buy at attractive valuations and improve the business post-closing with the aim of generating strong risk-adjusted returns.

Global growth investments are often sourced directly through the broader Global platform, including the Global network of portfolio companies and relationships. Global seeks opportunities in which Global's investing platform or expertise creates differentiated investment opportunities and unique insights that inform the investment thesis and transaction underwriting—what Global refers to internally as the “TPG Angle.”

Global sources and invests across the globe, in a variety of sectors. Global primarily makes “effective majority control” investments and/or growth equity investments and will consider select investments in early-stage opportunities. Global seeks to diversify Funds by industry and to optimize the capital structure of its portfolio companies to enhance equity returns, using leverage in select situations.

Global has a dedicated operating group with the mission of driving shareholder value creation by engaging in the investment due diligence process and in the portfolio to identify and execute on revenue growth, operational effectiveness and profit enhancement initiatives. The scope of this group's activities may be summarized as follows: (i) support the due diligence process by providing insight that informs transaction underwriting and identifying opportunities for operational improvement post-investment; (ii) support human capital initiatives by enhancing management teams and boards; (iii) drive the value creation planning process through active engagement with management teams; (iv) provide business performance oversight; and (v) serve as interim executives, when necessary.

Methods of Analysis and Investment Strategy – Private Equity (Biotechnology)

Global believes that the intrinsic scientific and medical complexities of the healthcare industry, coupled with the pace of progress of the biomedical research community, creates opportunities for investors who possess a sound grasp of these issues and close ties to the research community, and that such biomedical expertise must be coupled with sophisticated business acumen and connections to the venture capital, pharmaceutical and biotechnology industries. The Global biotechnology investment team has strong scientific, medical, operating and investing skills from working with the venture capital, biotechnology, and pharmaceutical industries. Global seeks to leverage those skills to identify inflection points in the valuation of companies and to recognize the time when an intriguing scientific result becomes a commercially realistic opportunity.

Global invests in early- and late-stage venture capital companies in the biotechnology and related life sciences industries, including those companies that specialize in drug discovery, personalized medicine, healthcare services and industrial biotechnology.

Global employs a science-based market approach that it believes allows it to effectively (i) handicap the likelihood of a product's clinical and regulatory success, (ii) assess the challenges of commercialization, including payor and physician acceptance, and (iii) identify new commercial applications of proprietary technology. Global's biotechnology investment team comprises a combination of scientific, medical, executive, operational and investment experience that Global believes is well-suited to the challenges of identifying, evaluating and building the next generation of life sciences companies. Increasingly, investors are asked to assess the potential therapeutic and market value of a compound or the clinical utility and importance of a molecular diagnostic. Global applies an operationally intensive approach in order to maximize

portfolio company success. Global believes that maintaining an active focus on portfolio construction allows it to optimize risk/reward with respect to its capabilities and the overall market conditions during the investment period. As strategic and public market interest in various sectors and stages of companies change over time, Global's portfolio construction approach aims to facilitate alternative exit options for various investments.

Global seeks to source investment opportunities through relationships with the academic community, executives and scientists in the pharmaceutical and biotechnology industries, other venture capital firms, the Global platform and a network of entrepreneurs and executives.

Methods of Analysis and Investment Strategy – TPG Opportunities Partners

Global seeks special situations/distressed investments across the credit cycle by targeting deep value opportunities with embedded complexity that are difficult to source, analyze or execute. Global seeks top-down investment themes in dislocated sectors, as well as bottom-up situational opportunities where it can exploit idiosyncratic or secular issues to structure investments with a skewed risk-adjusted return profile.

Corporate Special Situations and Asset Special Situations are among the strategies existing Global Vehicles may invest in.

Corporate Special Situations

Global seeks companies undergoing some type of distress or dislocation or confronted with an idiosyncratic issue. Dislocations may include, but are not limited to, excessive balance sheet leverage, lack of access to capital, company-specific operational problems, poor management, and structural changes in an industry caused by innovation, regulatory change or other macroeconomic factors.

Global may seek to invest throughout the capital structure at a deep discount to intrinsic value where it believes the most attractive risk-adjusted returns exist, focusing on instruments that it believes have the highest probability of converting into equity following a restructuring. Global also will seek investments where it can enhance value creation by leading the restructuring process and improving operations post restructuring. Global also may seek to identify areas of acute dislocation globally and across core sectors that will enable it to pursue investments from distressed sellers or be a provider of creative, structured solutions.

Asset Special Situations

Asset Special Situations involve the acquisition of non-performing loan (NPL) portfolios purchased directly from commercial banks or financial institutions at deep discounts to current market values. Global has built a strategic NPL sourcing and servicing platform with 180 dedicated professionals that specialize in working out small-balance NPLs. Global works through this platform to (1) purchase large portfolios of loans from commercial banks, underwriting and valuing pools on a loan-by-loan basis and (2) create and execute individual workout plans to resolve loans through modifications, payoffs or sales in excess of purchase

price. Certain Co-Investment Vehicles have been formed for the specific purpose of investing in NPLs.

Methods of Analysis and Investment Strategy – TPG Real Estate Advisors

Global primarily pursues a strategy of focusing on investments in property-rich platforms and companies at valuations that reflect discounts to underlying net asset values. In the future, Global may pursue other real estate-related strategies as well.

Through its theme-based approach and proactive sourcing of potential investment opportunities, Global seeks to capitalize on misunderstood or distressed situations where such discounted valuations can be achieved. The following four strategic tenets are central to Global's investment strategy:

Emphasis on asset-rich platform investing. Global focuses on investments in property-rich platforms and real estate-intensive operating companies. Global seeks to execute such investments at attractive valuations that often reflect discounts to underlying net asset values because: (i) the acquisition process is often less competitive than individual property purchases, as there are fewer capable acquirers given the capital requirements, transaction complexity, and operational intensity of such platforms; (ii) the scale and complexity of these businesses may obscure full value of the companies' underlying properties, creating a favorable valuation dynamic for the buyer; (iii) dedicated company management teams are better aligned with owners than is often the case with the traditional "operator" model in which multiple fiduciary relationships may result in conflicting allegiances; (iv) there are often meaningful value creation opportunities beyond the asset level through improved operations, accretive "add-on" acquisitions, and greater financing flexibility; and, (v) corporate platforms often present varied exit alternatives that can optimize value, including initial public offerings and subsequent stock sales, sales to strategic buyers, and property or portfolio dispositions.

Focus on distressed and misunderstood opportunities where the underlying real estate is favorably valued. Global seeks to capitalize on distressed and misunderstood investment opportunities, often leveraging its in-house bankruptcy and restructuring expertise. Financial distress and company-specific operational challenges often create acute needs for equity capital and can obscure full value of high-quality underlying real estate assets. Additionally, through its thematically driven sourcing initiatives, Global actively identifies situations where it believes the market is undervaluing a specific company or asset based on Global's proprietary market or sector outlook. Global believes that these circumstances give rise to investment opportunities that enable Global to acquire underlying real estate properties at attractive valuations.

Bias toward sourcing larger transactions where structural complexity and scale create favorable transaction dynamics. Global expects to focus on corporate platforms and other large-scale transactions with expected total equity requirements of greater than \$100 million per investment. Given this targeted size range, Global believes that it is able to invest significant capital efficiently, while maintaining a highly selective investment process and strong focus on maximizing value in every investment. Global believes large-scale portfolios can often be priced more attractively than if the same properties were priced and purchased individually. Furthermore, large transactions often involve situational and structural complexity, requiring

significant human resources, M&A expertise, regulatory sophistication, and patience. These challenges frequently create compelling opportunities that, in many cases, are significantly less competitive than more straightforward, accessible opportunities.

Emphasis on investments where operational improvement can affect meaningful value creation. Global intends to target investments where its active involvement as owners or shareholders can meaningfully improve operating performance of the underlying assets and/or the operating platform itself. While day-to-day responsibility for much of this operational improvement falls to the dedicated management teams associated with most investments, Global and its affiliates seek to impact operational performance and results. This impact is generally effected through four different means of engagement: (i) orchestrating corporate “carve-outs”, including the establishment of core business processes, financial management systems, and other corporate infrastructure supporting independent operations; (ii) driving key strategic initiatives, including acquisitions, other capital investments, and capitalization decisions through active board service; (iii) spearheading discrete elements of operational improvement initiatives, primarily with regard to real estate-intensive operating businesses through the direct involvement of Global’s operations group and other professionals; and, (iv) enhancing management team effectiveness through targeted executive recruitment, retention, and compensation programs.

In executing investments consistent with the strategic tenets highlighted above, Global generally focuses on four key transaction types through which it seeks to capitalize on compelling investment opportunities:

- Corporate “carve-outs” – Acquisitions of real estate companies whose parent entities are motivated to divest non-core assets and businesses due to strategic directives or balance sheet pressures, among other reasons.
- Restructuring and debt-driven acquisitions – Corporate and property acquisitions effected through restructuring and recapitalizing over-levered, distressed capital structures (including non-performing loans).
- Public company recapitalizations – Acquisitions of, and investments in, public companies capitalizing on the volatility, valuation anomalies, and idiosyncratic preferences of the public markets.
- Operational turnarounds – Acquisitions of undermanaged and underperforming real estate assets and platforms where significant operational improvement will materially drive performance.

Material Risks of Significant Investment Strategies

The investment strategies described above, and other strategies that may be pursued by the Global Vehicles, involve a substantial degree of risk, and the Global Vehicles may lose all or a substantial portion of the value of their investments. Material risks relating to the investment strategies and methods of analysis described above are described in more detail in the applicable Global Vehicle’s offering documents and representatives of Global or its affiliates are available to discuss with potential investors risks involved in the strategies pursued by a Global Vehicle. Such material risks include the following:

Bank Loans. A Fund may invest in fixed- and floating-rate loans, which investments generally will be in the form of loan participations and assignments of portions of such loans. Participations in commercial loans may be secured or unsecured. Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. The participation interests in which a Fund invests may not be rated by any nationally recognized rating service. Participations and assignments are subject to a number of risks, including credit risk, interest rate risk, liquidity risk and the risks of being a lender. When purchasing loan participations, a Fund assumes the credit risk associated with the corporate borrower and may assume the credit risk associated with an interposed bank or other financial intermediary, and may only be able to enforce its rights through the lender, and may assume the credit risk of the lender in addition to the borrower. Furthermore, such investments are subject to unique risks, including, without limitation: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of a Fund to directly enforce its rights with respect to participations. Successful claims by third parties arising from these and other risks will be borne by a Fund.

A Fund may acquire subordinated loans. If a borrower defaults on a Fund's loan or on debt senior to a Fund's loan, or in the event of a borrower bankruptcy, a Fund's loan will be satisfied only after the senior debt is paid in full. When debt senior to a Fund's loan exists, the presence of intercreditor arrangements may limit a Fund's ability to amend its loan documents, assign its loans, accept prepayments, exercise its remedies (through "standstill periods") and control decisions made in bankruptcy proceedings relating to borrowers.

Distressed Assets. A Fund may invest a portion of its assets in distressed assets and portfolios of distressed assets, including non-investment grade obligations of U.S. and foreign companies (including companies in significant financial or business difficulties). Although such investments may result in significant returns to a Fund, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is unusually high.

Troubled company and other asset-based investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by a Fund. To the extent that a Fund becomes involved in such proceedings, a Fund may have a more active participation in the affairs of the company than that assumed generally by an investor. In addition, involvement by a Fund in an issuer's reorganization proceedings could result in the imposition of restrictions limiting the Fund's ability to liquidate its position in the issuer.

Non-Performing Debt. Certain debt instruments purchased by a Fund may be non-performing and possibly in default. The obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to such debt instruments.

Potential Lack of Diversification. While diversification is generally a Fund objective, there is no assurance as to the degree of diversification that will actually be achieved in a Fund's investments. Because a substantial portion of certain Funds' committed capital may be invested in a single portfolio company or asset, a loss with respect to any single portfolio investment could have a significant adverse effect on a Fund's returns. Even if a Fund achieves significant diversification, such diversification may not provide meaningful risk control, and may reduce a Fund's profit potential as a result of certain investments being unprofitable while others are profitable. Co-Investment Vehicles formed for the purpose of pursuing a particular investment strategy or a particular transaction will be particularly exposed to the legal and financial risks associated with that strategy or transaction, as applicable, and may not be able to achieve a level of diversification comparable to the Funds.

Illiquidity. A Fund may invest in securities, bank debt and other claims, and other assets, which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid assets often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets.

Market Conditions and Recent Financial Market Fluctuations. A Fund may be materially affected by conditions in the real estate and financial markets and economic conditions throughout the world, including regulatory intervention and policies, interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances. Difficult market conditions may adversely affect a Fund by reducing the value or performance of its investments or by reducing its ability to raise or deploy capital, each of which could negatively impact the returns to investors.

Since 2008, global financial markets have experienced considerable volatility in the valuations of equity and debt securities and the availability of credit and the failure of a number of leading financial institutions. As a result, certain government bodies and central banks worldwide have undertaken unprecedented intervention programs, the effects of which remain uncertain. These events have led to a significantly diminished availability of credit and an increase in the cost of financing, which has materially hindered the initiation of new leveraged transactions and, together with declines in valuations of equity and debt securities, has adversely affected the private equity and other alternative investment sectors. To the extent these conditions continue or recur, they may adversely affect the investments of a Fund.

Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. In the past, many private equity funds

have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable to a Fund to sell these securities when Global believes it is most advantageous to do so, or without adversely affecting the stock price. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that Global believes reflect the fair value of such investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future.

A Fund may be materially adversely affected by the foregoing events, or by similar or other events in the future. In the long term, there may be significant new regulations that could limit the activities of Global and the investment opportunities it pursues or change the functioning of capital markets, and there is the possibility that the severe worldwide economic downturn could continue for a period of years. Consequently, Global may not be capable of, or successful at, preserving the value of Fund assets, generating positive investment returns or effectively managing Fund risks.

Competition for Investments. The Funds expect to encounter competition from entities having similar investment objectives. Potential competitors include other investment funds, business development companies, publicly traded real estate investment trusts (“REITs”), financial institutions (such as mortgage banks and pension funds) and other financial investors investing directly or through affiliates, as well as individuals and other institutional investors. Certain of these entities may possess competitive advantages over a Fund in pursuing investment opportunities, including greater financial, technical, marketing and other resources, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to a Fund. In addition, a substantial number of private investment funds exist, many substantial in size, which creates a significant amount of capital available for investment in such opportunities. Further, over the past several years, many real estate investment funds and publicly traded REITs have been formed, and others have been consolidated or grown substantially in size, for the purpose of investing in real estate assets. Additional real estate funds and REITs with similar investment objectives will likely be formed in the future by other unrelated parties and further consolidations may occur, resulting in larger funds and vehicles and further increased competition for Funds.

Non-Controlling Investments. Funds typically hold less than 50% of the outstanding voting interests of a portfolio company, and may hold investments in debt instruments or other securities that do not entitle a Fund to voting rights, and, therefore, may have a limited ability to protect their investments in a portfolio company.

Risks Associated with Publicly-Traded Securities. A Fund may invest in publicly-traded securities, and may hold publicly-traded securities following a partial exit from an investment.

Investments in securities of publicly-traded companies may be sensitive to movements in the stock market and trends in the overall economy. Moreover, the ability of portfolio investments to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Debt Securities and Private Debt Instruments. A Fund may invest in debt securities and private debt instruments of unrated or non-investment grade companies, including leveraged loans, high yield bonds, senior secured bank debt, junior loans, subordinated loans, syndicated bridge commitments and unsecured loans. Investments in debt are subject to the ability of the issuer or the borrower to meet principal and interest payments on the obligation and may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer or the borrower and the general market conditions and such risks are greater for investments in non-investment grade, non-rated or lower credit quality debt than for investments in higher-rated debt. In addition, private debt instruments have significant liquidity risks and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors. Furthermore there may be limitations on the ability of a Fund to directly enforce its rights with respect to these types of investments, and a Fund may, in addition to assuming the credit risk of the borrower, assume the credit risk associated with the lender or an interposed financial intermediary. Investments in debt may also expose a Fund to unfavorable outcomes in the event of a bankruptcy proceeding. Successful claims by third parties arising from these and other risks will be borne by a Fund.

High Yield Debt. A Fund may invest in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, a Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse effect on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuer of such securities to repay principal and pay interest thereon and increase the incident of default of such securities.

Convertible Securities. A Fund may invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have

higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a Fund’s ability to achieve its investment objective.

Second Lien Loans. A Fund may invest in loans that are secured by a second lien on assets. Second lien loans have been a developed market for a relatively short period of time, and there is limited historical data on the performance of second lien loans in adverse economic circumstances. In addition, second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, including rights in bankruptcy which can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products.

Debtor-in-Possession Loans. From time to time, a Fund may invest in or extend loans to companies that have filed for protection under Chapter 11 of the United States Bankruptcy Code. These debtor-in-possession (“DIP”) loans are most often revolving working-capital facilities put into place at the outset of a Chapter 11 case to provide the debtor with both immediate cash and

the ongoing working capital that will be required during the reorganization process. While such loans are generally less risky than many other types of loans as a result of their seniority in the debtor's capital structure and because their terms have been approved by a federal bankruptcy court order, it is possible that the debtor's reorganization efforts may fail and the proceeds of the ensuing liquidation of the DIP lender's collateral might be insufficient to repay in full the DIP loan.

Bankruptcies. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund. Furthermore, there are instances in which creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor. Additionally, the debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

A Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Special Situation Financings. A Fund may make investments in special situation financings, including event-driven situations such as recapitalizations, debtor-in-possession and other financings, corporate and financial restructurings, acquisitions, divestitures, reorganizations or other situations in public or private companies that may provide a Fund with an opportunity to provide debt and/or equity financing. Such investments may be originated by a Fund and will typically be made on a negotiated basis. These investments are complicated and an incorrect assessment of the downside risk associated with an investment could result in significant losses to a Fund.

CLOs and CDOs. A Fund may invest in CLOs, collateralized debt obligations (“CDOs”) and other similar securities. These may be fixed pools or may be “market value” or managed pools of collateral, including commercial loans, high yield and investment grade debt, structured securities and derivative instruments relating to debt. The pools are typically separated into tranches representing different degrees of credit quality, with lower rated tranches being subordinate to senior tranches. The senior tranches of CLOs and CDOs, which represent the highest credit quality in the pool, have the greatest collateralization and pay the lowest spreads

over treasuries. Lower-rated CLO and CDO tranches represent lower degrees of credit quality and pay higher spreads over treasuries to compensate for the attendant risks. The bottom tranches specifically receive the residual interest payments (*i.e.*, money that is left over after the higher tiers have been paid) rather than a fixed interest rate. The returns on the junior tranches of CLOs and CDOs are especially sensitive to the rate of defaults in the collateral pool. In addition, the exercise of redemption rights, if any, by more senior CLO or CDO tranches and certain other events could result in an elimination, deferral or reduction in the funds available to make interest or principal payments to the junior tranches. A Fund may invest in both senior and bottom tranches of CLOs and CDOs.

In addition, there can be no assurance that a liquid market will exist in CLOs or CDOs when a Fund seeks to sell its interest therein. Also, it is possible that a Fund's investment in CLOs or CDOs will be subject to certain contractual limitations on transfer.

Securitization Vehicles. To finance investments, a Fund may securitize certain of its investments, while retaining all or most of the exposure to the performance of these investments. This would involve contributing a pool of assets to a special purpose entity (a "Securitization Vehicle"), and selling debt interests in such entity on a non-recourse or limited-recourse basis to purchasers.

If a Fund creates a Securitization Vehicle, the Fund will depend on distributions from the Securitization Vehicle's assets to enable it to make distributions to investors. The ability of a Securitization Vehicle to make distributions will be subject to various limitations, including the terms and covenants of the debt it issues. For example, tests (based on interest coverage or other financial ratios or other criteria) may restrict a Fund's ability, as holder of a Securitization Vehicle's equity interests, to receive cash flow from these investments. There is no assurance any such performance tests will be satisfied. Also, a Securitization Vehicle may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower, or the Securitization Vehicle may be obligated to retain cash or other assets to satisfy over-collateralization requirements commonly provided for holders of the Securitization Vehicle's debt. As a result, there may be a lag, which could be significant, between the repayment or other realization on a loan or other assets in, and the distribution of cash out of, a Securitization Vehicle, or cash flow may be completely restricted for the life of the Securitization Vehicle. In addition, a decline in the credit quality of loans in a Securitization Vehicle due to poor operating results of the relevant borrower, declines in the value of loan collateral or increases in defaults, among other things, may force a Securitization Vehicle to sell certain assets at a loss, reducing its earnings and, in turn, cash potentially available for distribution to a Fund for distribution.

To the extent that any losses are incurred by the Securitization Vehicle in respect of any collateral, such losses will be borne first by a Fund as owner of equity interests. Finally, any equity interests that a Fund retains in a Securitization Vehicle will not be secured by the assets of the Securitization Vehicle and the Fund will rank behind all creditors of the Securitization Vehicle.

Mortgage-Backed and Asset-Backed Securities. A Fund may invest in mortgage-backed securities (“MBS”) and asset-backed securities (“ABS”). MBS represent an interest in a pool of mortgages. When market interest rates decline, more mortgages are refinanced and the securities are paid off earlier than expected. Prepayments may also occur on a scheduled basis or due to foreclosure. When market interest rates increase, the market values of MBS decline. At the same time, however, mortgage refinancing and prepayments slow, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of MBS is usually more pronounced than it is for other types of fixed-income securities. In addition, the secondary market for such subordinated securities is not as active and well-developed as the market for certain other mortgage-backed securities. ABS are structured like MBS, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include, but are not limited to, such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property and receivables from credit card agreements. The ability of an issuer of ABS to enforce its security interest in the underlying assets may be limited. ABS are subject to many of the same risks as MBS.

Synthetic Instruments. A Fund may use synthetic or pass-through arrangements, such as total return swaps. Seeking exposure to reference assets through synthetic arrangements presents risks different from those involved in direct investments in such types of assets. With respect to synthetic securities, a Fund will have a contractual relationship only with the synthetic security counterparty, and not the reference entity obligated under the reference obligation. A Fund may have no right to enforce compliance by the reference entity with the terms of the reference obligation and may not have any voting or other consensual rights of ownership with respect to the reference obligation. The synthetic security counterparty generally will not be obligated to own any of the reference obligations, or to deliver any such obligations pursuant to the terms of the synthetic security. In the case of physical settlement, the synthetic security counterparty generally may satisfy its delivery obligation by delivering, at its election, either the reference securities or other securities of a specified type. A Fund also will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the synthetic security counterparty, a Fund generally will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the reference obligation. Consequently, a Fund will be subject to the credit risk of the synthetic security counterparty, as well as that of the reference entity. As a result of these factors, concentrations of synthetic assets with any one synthetic instrument counterparty will subject a Fund to risk with respect to defaults by such synthetic instrument counterparty as well as by the respective reference entities. Synthetic security counterparties generally will have no obligation to keep a Fund informed as to matters arising in relation to any reference obligation, including whether or not circumstances exist under which there is a possibility of the occurrence of a credit event. Generally, neither a Fund nor Global will have the right to inspect records of the synthetic security counterparties or the reference entities, and the synthetic security counterparties will be under no obligation to disclose any further information or evidence regarding the existence or terms of any reference obligation or any matters arising in relation thereto or otherwise regarding any reference obligation, any guarantor or any other person, other than the obligation of a synthetic security counterparty to provide publicly available information to a Fund of the

occurrence of certain specified events. As a general rule, synthetic security counterparties will not have a duty to consider the effect of their actions or failure to take actions on a Fund.

In the circumstances specified in a contract in respect of a synthetic security (for example, losses on the reference portfolio in excess of a specified amount), a Fund or the synthetic security counterparty may have the right to terminate the synthetic securities entered into by the synthetic security counterparty and the Fund. Such specified circumstances generally will include events of default under such synthetic security, or if certain payments to be made under the synthetic security are subject to the imposition of a withholding tax. As a rule, synthetic securities may be terminated by synthetic security counterparties if, among other things, a Fund fails to make a relevant payment under a synthetic security and the Fund will be likely to owe a termination payment in such case. A Fund also may be required to make a payment to synthetic security counterparty if the Fund terminates a transaction. If such a payment is in a sizeable amount, a Fund may need to liquidate other assets or to call capital to meet its payment obligation. Synthetic investments may be highly illiquid. In some instances, synthetic instruments entered into or acquired by a Fund may have a limited trading market, if any. The terms of the respective synthetic securities may restrict a Fund's ability to terminate or assign such assets in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Low liquidity and potential difficulties of valuation in the market for synthetic instruments may limit a Fund's ability to trade and reinvest in synthetic instruments to the extent it considers appropriate.

CDSs. A Fund may purchase and sell credit derivatives contracts, including credit default swaps ("CDSs"), both for hedging and other purposes. The typical CDS requires the seller to pay to the buyer, in the event that a particular reference entity experiences specified credit events, the difference between the notional amount of the contract and the value of a portfolio of securities issued by the reference entity that the buyer delivers to the seller. In return, the buyer agrees to make periodic payments equal to a fixed percentage of the notional amount of the contract. A Fund may also sell CDSs on a basket of reference entities. As a buyer of CDSs, a Fund would be subject to certain risks in addition to those described under "*Investments in Synthetic Instruments*" above. In circumstances in which a Fund does not own the debt securities that are deliverable under a CDS, the Fund would be exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavorable prices. In certain instances of issuer defaults or restructurings, it has been unclear under standard industry documentation for CDSs whether or not a "credit event" triggering the seller's payment obligation had occurred. In either case, a Fund would not be able to realize the full value of the CDS upon default by the reference entity. As a seller of CDSs, a Fund would incur leveraged exposure to the credit of the reference entity, would not have legal recourse against the reference entity and would not benefit from collateral securing the reference entity's debt obligations. In addition, following a credit event, the CDS buyer would have broad discretion to select which of the reference entity's debt obligations to deliver to a Fund and would likely choose the obligations with the lowest market value. Furthermore, CDSs generally trade on the basis of theoretical pricing and valuation models, which may not accurately value such swap positions when established or when subsequently traded or unwound under actual market conditions.

Short Selling. A Fund's investment strategy may include short selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which a Fund engages in short sales will depend upon its investment strategy and perception of market direction. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a Fund of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which Global would otherwise recommend, to the possible detriment of a Fund. Market illiquidity or disruption could result in major losses to a Fund.

Hedging Transactions, Policies and Risks; Synthetic Investments. A Fund may utilize financial instruments, including total return swaps, broad index swaps, basket swaps, caps, floors and collars, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of a Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect a Fund's unrealized gains in the value of a Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in a Fund's portfolios or to enhance or obtain investment exposure; (v) hedge the interest rate or currency exchange rate on any of a Fund's liabilities or assets; (vi) protect against any increase in the price of any securities a Fund anticipates investing in at a later date or (vii) for any other reason.

The success of a Fund's hedging strategy will depend, in part, upon Global's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Because the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to Global's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Fund may enter into

hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Fund than if it had not engaged in such hedging transactions. For a variety of reasons, Global may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. Global may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of a Fund's portfolio holdings.

In connection with the financing of certain investments, a Fund may employ hedging techniques designed to reduce the risks of such investments, including, without limitation, adverse movements in interest rates, securities prices and currency exchange rates. However, Global is not required to employ such hedging techniques in connection with Fund investments, and may be unable to anticipate all risks against which such hedges could be employed. Hedging transactions have inherent risks, including the possible default by the counter-party to the transaction and the illiquidity of the instrument acquired by a Fund relating thereto. Although hedging transactions may reduce a Fund's exposure to, among other things, currency fluctuations or decreases in the value of investments, the costs and risks associated with these arrangements may reduce the returns a Fund would have otherwise achieved if the transactions were not entered into. Also, although hedging transactions may hedge economic risks, they may not be effective hedges for tax purposes.

With respect to any investments in synthetic instruments, a Fund has a contractual relationship only with the synthetic instrument counterparty, and no direct rights with respect to the underlying asset. A Fund may not have any voting, information, or other rights of ownership with respect to the underlying asset, and will be subject to the credit risk of the synthetic instrument counterparty. In the event of the insolvency of such counterparty, a Fund generally will be treated as a general creditor of such counterparty and will not have any claim of title with respect to the underlying asset.

Real Estate. Certain Funds may invest in real estate and make investments for which real estate is an incidental but significant portion of the investment's asset base or value and one of the Funds will be focused primarily on real estate investments. In addition, certain separately managed accounts may have an investment strategy that is focused on real estate. Investments in real estate may include, but are not limited to, investments in private platform, corporate control and public company investments, and may consist of both debt and equity assets. There are numerous risks related to the ownership and operation of real estate, including fluctuations in the overall economy, national and local real estate conditions, dependence on cash flow, management direction and quality, increased competition with respect to rental rates, property attractiveness and location, financial condition of tenants, buyers, and sellers of properties, quality of maintenance, insurance, and management services, natural disasters, and changes in operating costs. Government laws and regulations also may affect the results of a real estate investment, including those governing or related to usage, improvements, zoning, the environment, taxes and securitization of residential and commercial mortgages, as do the levels

of unemployment and interest rates and the availability of financing. In addition, the real estate markets have experienced significant volatility in recent years.

Reliance on Management of Global. The success of a Fund will depend in large part upon the skill and expertise of the Global professionals. There can be no assurance that any individual professional will continue to be associated with a Fund. The ability to recruit, retain and motivate such professionals is dependent on the ability of Global to offer attractive incentive opportunities. If legislation were to be enacted to treat carried interest as ordinary income rather than capital gain, the amount of taxes that such professionals would be required to pay with respect to their carried interest would materially increase, thereby adversely affecting the ability of Global to offer such attractive incentive opportunities. Should any of these professionals join or form a competing firm, become incapacitated or in some other way cease to participate in investment activities of a Fund, its performance could be adversely affected.

In addition, Global's investment strategies in certain investments may depend on its ability to enter into relationships with joint venture or operating partners. There can be no assurance that Global's current relationship with any such person will continue with respect to a particular Fund or that any relationship with other such persons will be able to be established in the future and on terms favorable to a Fund.

Reliance on the Management of Portfolio Companies. Although it is Global's intention to ensure that Fund portfolio companies have strong management teams, there can be no assurance that any portfolio company's management team will be able to operate successfully.

Extensive Government Regulation. The extensive government regulation of certain industries in which a Fund may invest creates additional uncertainty and risks for the Fund. Obtaining regulatory approval may be a lengthy and expensive process with an uncertain outcome, and portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, which could materially and adversely affect portfolio company success.

Early-Stage Investments. Certain Funds invest in early stage investments. While early-stage investments offer the opportunity for significant capital gains, such investments involve a high degree of business and financial risk that can result in substantial or total loss. Many early-stage portfolio companies will operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion or to achieve or maintain a competitive position. Early-stage portfolio companies may face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Certain portfolio companies may have only one product under development, and a failure to obtain necessary licensing, approvals or other necessary government action with respect to such product may cause the entire company to fail.

Dependence on Patents, Trademarks and Other Intellectual Property. Certain Fund investments will depend heavily on intellectual property rights, including patents, trademarks and service marks. The ability to effectively enforce patent, trademark and other intellectual property laws

will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of a portfolio company's particular product.

Uncertainty Regarding Investments. Although Global will make every effort to conduct appropriate due diligence prior to making an investment, the due diligence process may be subjective at times, may be required to be undertaken on an expedited basis in order to take advantage of available investment opportunities and may require Global to rely on limited resources available to it, including information provided by the target of the investment and third-party consultants, legal advisers, accountants and investment banks. As a result, it is uncertain whether the due diligence investigation will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Global also cannot be certain that the due diligence investigation will result in investments being successful.

Increased Regulatory Scrutiny. The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been subject to intense and increasing regulatory oversight. Such scrutiny may increase Global's and the Funds' exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may impose administrative burdens on Global, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert Global's time, attention and resources from portfolio management activities. It is anticipated that, in the normal course of business, Global's officers will have contact with governmental authorities and/or be subjected to responding to inquiries or examinations. Funds may also be subject to regulatory inquiries concerning their securities positions and trading.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") has resulted in extensive rulemaking and regulatory changes that will affect private fund managers, the funds that they manage and the financial industry as a whole. Those changes include new recordkeeping and reporting requirements that will add costs to the legal, operations and compliance obligations of Global and increase the amount of time that Global spends on non-investment related activities. The Dodd-Frank Act also affects a broad range of market participants with whom the Funds interact or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker-dealers. Regulatory changes that affect other market participants are likely to change the way in which Global conducts business with counterparties. It is difficult to anticipate the effect of these and other regulatory changes on Global and the Funds. It may take years to understand the effect of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile, and it may be more difficult for Global to execute the investment strategy of the Funds.

The European Union's (the "EU's") Directive 2011/61/EC on Alternative Investment Fund Managers (the "AIFM Directive") harmonizes the regulation of "managers" of "alternative investment funds" ("AIFs", and such managers "AIFMs") in the EU, including imposing minimum requirements that will have to be met by EU AIFMs and non-EU AIFMs that market

AIF interests to EU professional investors. The AIFM Directive entered into force on July 22, 2011, and EU Member States were expected to have transposed it into their national laws from July 22, 2013, subject to certain grandfathering and transition positions. However, certain EU Member States have not yet done so and it is currently not clear until when their respective implementation processes will be delayed. As a result, the rights and obligations applicable to AIFMs arising from the AIFM Directive in respect of these EU Member States are uncertain during the delayed implementation process. In addition, the contents of the AIFM Directive contain many ambiguities, some of which will be clarified during the implementation and rule-making process through regulations and guidance of the European Commission and the European Securities Markets Authority (the “Implementing Measures”). Until at least late 2015, the AIFM Directive allows non-EU AIFMs to market AIF interests to EU professional investors under the national private placement regimes of EU Member States and sets out minimum requirements that have to be met by non-EU AIFMs conducting such marketing. However, the national private placement regimes are not uniform and EU Member States may impose requirements in addition to those set out by the AIFM Directive. In addition, the AIFM Directive only governs marketing of AIF interests to professional investors and EU Member States may impose the same or stricter conditions on marketing of AIF interests to “retail” investors, including some high net worth individuals. The AIFM Directive, the Implementing Measures, changes to or increased enforcement of related national legislation and interpretive rules could have an adverse effect on Global and/or the Funds.

Material Non-Public Information. By reason of their responsibilities in connection with their other activities, Global senior professionals may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities. A Fund will not be free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Global generally does not currently maintain informational firewalls among most of its businesses and, for purposes of investing in securities and other instruments, confidential information with respect to an issuer or an investment received by one investment team within these businesses generally will be imputed to all investment teams “inside the wall”. Global, its funds and other affiliates of Global, and any Fund’s general partner regularly obtain confidential information and enter into confidentiality agreements that may bind them to not only keep information confidential but also to “stand still” and comply with other restrictions. These activities may prevent a Fund from acquiring or disposing of investments in an issuer, potentially for extended periods.

In addition, a Fund, its general partner and their affiliates may enter into confidentiality agreements with third parties, which may restrict their ability to share with investors information relevant to such Fund, including with respect to portfolio investments.

Subscription Facility, Other Financings and Cross-Default Risk. A Fund may utilize indebtedness or other asset-level financing. This indebtedness or financing may be structured in a way that (i) Funds are jointly responsible on a cross-collateralized basis for the repayment of the indebtedness or financing and (ii) the commitments of the investors in a Fund are pledged to secure indebtedness or financing obtained for the benefit of other Funds. To the extent that providers of such

indebtedness or financing require that it be secured by, or have the credit support of, a particular Fund, the investors may be called upon to fund their entire commitment to repay indebtedness, which may or may not be indebtedness of the Fund in which such investor is a limited partner, and the failure of other investors to honor their commitments may result in an investor's payments exceeding its pro rata share of the indebtedness. In addition, a Fund may be subject to cross-default risk with respect to other parties in connection with repurchase agreements or other asset financings to which they are a party. The Funds intend, where appropriate, to enter into back-to-back agreements with such other parties in respect of any such credit support.

Leverage. A Fund, or any special purpose vehicle it establishes, may borrow funds or enter into other financing arrangements to pay partnership expenses, to make or facilitate new or follow-on investments, or to make payments under guarantee, surety or hedging transactions. The use of borrowed funds creates the opportunity for greater total returns, but at the same time involves certain risks. A Fund may not be successful without the use of a substantial amount of leverage in its portfolio investments and leverage may be costly or unavailable.

The ability of a Fund to obtain financing may be adversely affected if the capacity of lenders is impaired by unfavorable economic conditions or changes to the laws and regulations governing their operations. These factors may also impact the terms on which a Fund is able to borrow, and lenders may have rights to discontinue lending arrangements or require a Fund to post additional cash or other collateral, based solely on the financial condition of the lender. The Funds will also rely on short-term financing arrangements and will be dependent on lenders renewing such arrangements on maturity. In the event that lenders' financial health is impaired, lenders may be unwilling to renew repurchase transactions and other short-term borrowing transactions beyond their initial terms. In the event that a Fund is required to post additional cash or collateral or the Fund's financing arrangements are terminated or not renewed beyond their initial terms, the Fund may need to seek additional or replacement financing expeditiously in order to meet its repayment or other contractual obligations. The Fund may only be able to obtain necessary financing at considerable extra cost, if at all.

The inability of a Fund to obtain a desired amount of leverage may limit the Fund's overall investment exposure, thereby reducing the Fund's performance. Funds borrowed for leveraging will be subject to interest, transaction and other costs and other types of leverage also involve transaction and other costs. Any such costs may not be recovered by the return on a Fund's portfolio. The use of leverage will decrease the investment return if a Fund fails to recover the cost of such leverage.

The stability and liquidity of financing arrangements depend in large part on the creditworthiness of the parties to the transactions. In respect of repurchase transactions in particular, a Fund will be exposed to the risk that buyers could default in relation to refinancing payments to the Fund and/or making payments in respect of the appreciation in value of assets purchased from the Fund. If there is a default by a counterparty, the Fund may have recourse to contractual remedies; however exercising such rights may involve delays or costs which could result in decreased returns to investors.

To the extent a Fund borrows or guarantees indebtedness, it will be subject to risks similar to those described above. Investors may be required to execute documents or provide financial information in connection with Fund borrowings.

Availability of Financing. A Fund's ability to invest in portfolio companies may depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, would impair a Fund's ability to consummate these transactions and would adversely affect the Fund's returns.

Investments in Restructurings. A Fund may invest in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. Those financial difficulties may never be overcome and may cause the portfolio companies to become subject to bankruptcy proceedings. Investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or recharacterize investments made in the form of debt as equity contributions. Such investments could, in certain circumstances, subject a Fund to certain additional potential liabilities that may exceed the value of its original investment.

Investments in Operating Turnarounds. In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of Global to restructure and effect improvements in the operations of a portfolio company, and there can be no assurance that Global will be able to successfully identify and implement such restructuring programs and improvements.

Non-U.S. Investments. A Fund may make investments outside of the United States, including in certain emerging foreign markets. Investments in the securities of foreign issuers may be restricted or controlled to varying degrees. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies; potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; unfavorable currency exchange rate fluctuations; imposition of exchange control regulation by the U.S. or foreign governments; U.S., foreign or other withholding taxes; limitations on the removal of funds or other assets; policies of governments with respect to possible nationalization of their industries; and political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations. Laws and regulations of foreign countries may impose restrictions that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States, and certain foreign companies may not be

subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Certain countries require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular company or restrict investment by foreign persons to a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by nationals. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital or earnings, as well as by the application to the Fund of restrictions on investments. In addition, because a Fund's investments in other countries will likely be denominated in the currencies of such countries, a change in the value of these currencies against the U.S. dollar may result in a corresponding change in the U.S. dollar value of the Fund's assets denominated in those currencies.

A real estate Fund may invest a substantial portion of its assets outside the United States. Non-U.S. real estate-related investments involve certain factors not typically associated with investing in real estate-related investments in the United States, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. portfolio investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between U.S. and non-U.S. real estate markets, including potential price volatility in and greater illiquidity of some non-U.S. real estate markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (iv) certain economic and political risks, including potential exchange-control regulations, potential restrictions on non-U.S. investment and repatriation of capital, the risks associated with political, economic or social instability, and the possibility of expropriation or confiscatory taxation and adverse economic and political developments; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such portfolio investments; (vi) less developed corporate laws regarding the protection of investors and property owners; (vii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (viii) political hostility to investments by foreign or private equity investors; and, (ix) less publicly available information. In addition, investments located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the U.S. Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide a Fund with equivalent rights and privileges necessary to promote and protect the Fund's interest in any such proceeding, portfolio investments may be adversely affected. Global will analyze risks in the applicable foreign countries before making such investments, but there can be no assurance that adverse developments with respect to these risks will not adversely affect the assets of a Fund that are held in certain countries.

The risks described above may be particularly relevant to the extent a Fund makes investments in emerging market countries. Emerging market countries generally are subject to greater risks of expropriation, confiscatory taxation, nationalization, political, economic or social instability and other negative developments.

Investments in Emerging Market Countries. Certain Funds may make investments in emerging market countries. Investments in emerging market countries may be subject to more substantial risks in political and macro-economic conditions, such as significant currency fluctuations, changes in governmental controls over the economy and high rates of inflation, and such problems may have a materially adverse effect on a Fund's investments. Moreover, the economies of emerging market countries generally are more heavily dependent upon international trade than some developed market countries and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Expropriation, confiscatory taxation, nationalization, political, economic or social instability or other developments could adversely affect Fund assets held in particular emerging market countries.

Liabilities Upon Disposition. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. A Fund also may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities of a Fund.

Indemnification of Service Providers and Depositors. A Fund may enter into transactions or arrangements with service providers and/or depositors in order to facilitate its purchase, management and disposition of, in particular, non-performing loans, and may be required to indemnify such service providers and/or depositors if any representations and warranties made to the original loan seller in connection with such arrangements are breached.

Third Party Involvement. A Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative effect on such investment, may have economic or business interests or goals which are inconsistent with those of a Fund or may be in a position to take (or block) action in a manner contrary to a Fund's investment objectives. In addition, a Fund may in certain circumstances be liable for the actions of its third-party co-venturers. In circumstances in which third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Uncertainty of Financial Projections. Global generally establishes the capital structure of companies in which a Fund invests on the basis of financial projections for such companies, which normally are based primarily on management judgments. Projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed, there can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections.

Controlling Interests. Because of its equity ownership, representation on the board of directors and/or contractual rights, a Fund may often be considered to control, participate in the management of or influence the conduct of portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If these liabilities were to arise, a Fund may suffer a significant loss.

Additional Capital Requirements of Portfolio Companies. Certain of a Fund's portfolio companies, especially those in a development or "platform" phase, may require additional financing to satisfy their working capital requirements or acquisition strategies. Each round of financing is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone, and the amount of such additional financing will depend upon the maturity and objectives of the portfolio company. If the funds provided are not sufficient, a portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including the Fund. A Fund also may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in a portfolio company in order to preserve the Fund's proportionate ownership when a subsequent financing is planned, or to protect the Fund's investment when a portfolio company's performance does not meet expectations. There can be no assurance that Global will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Business and Market Risks. The investments made by a Fund may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

Co-Investment Vehicles may be subject to some or all of the foregoing risks, depending on the risks associated with the applicable transaction or investment strategy. To the extent certain Co-Investment Vehicles pursue investments or strategies that are not pursued by the Funds, such Co-Investment Vehicles may be subject to additional risks, as described in their respective offering documents.

Nature of Investment. An investment in a Fund is speculative, requiring a long-term commitment, with no certainty of return. Since a Fund may only make a limited number of investments, and since many of a Fund's investments may involve a high degree of risk, poor performance by a few of the investments could significantly reduce the total returns to a Fund's investors. No assurances can be given that a Fund's investment objectives will be achieved or that investors will receive a return of any of their capital.

Newly Formed; Past Performance. Funds may have little or no operating history on which prospective investors may base an evaluation of likely performance. There can be no assurance that a Fund's investments will perform as well as the past investments of other affiliated funds or that a Fund will achieve its intended rate of return or fully invest its committed capital.

Valuations. Funds will hold positions in non-marketable investments or other investments for which independent quotations are unavailable or are not reliable indications of the fair value of a Fund's position. The process of valuing investments for which reliable market quotations are not available is based on inherent uncertainties, and the resulting values may differ from values that would have been determined had a ready market existed for such investments, from values placed on such investments by other investors and from prices at which such investments may ultimately be sold. In addition, third-party pricing information may at times not be available regarding certain of a Fund's assets or, if available, may not be considered reliable. Funds are not required to obtain independent appraisals or valuations of any such positions. Valuations of a Fund's investments will be determined by such Fund's general partner in its sole discretion and will be final and conclusive for all partners. This uncertainty of valuations could limit the ability of a Fund's investors to gauge such Fund's ongoing performance.

Sourcing of Investments. Global expects to source a substantial volume of its investment opportunities through various TPG platforms, personnel, and other relationships. To the extent these sourcing channels do not present Global with a sufficient volume of investment opportunities, or the opportunities presented are not suitable for investment by a Fund, such Fund's performance may be materially adversely affected.

Conflicts; Fees for Real Estate Services. TPG retains employees and consultants to provide services to, or in connection with, a Fund or one or more portfolio investments. These employees and consultants will receive fees in connection with the services they provide. See Item 11 for a discussion of these conflicts.

Certain employees and consultants to the Funds and their portfolio investments, or their affiliates, may also provide goods or services to or have other relationships with TPG. These other services and relationships may influence the a Fund's general partner in deciding whether to select such a provider to perform services, either in place of or in addition to, third-party service providers for a Fund or a portfolio investment (the cost of which will generally be born directly or indirectly by such Fund).

Co-Investment Warehousing. A Fund may temporarily warehouse a portion of an investment opportunity in order to facilitate a co-investment by one or more affiliated or third-party co-investors. If such co-investment is not ultimately consummated, the Fund may end up holding a larger portion of such investment than it otherwise expected or desired to hold. The risk of a co-investment not being consummated may increase in the event an investment decreases in value during the warehousing period, and a Fund may be required to bear the losses in connection with any such investment.

Bridge Financings. From time to time, a Fund may lend to one of its properties or investments on a short term, unsecured basis in anticipation of a future issuance of equity or long term debt

securities. Such bridge loans would often be convertible into a more permanent, long term security. However, for reasons not always in a Fund's control, such long term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the loans made by the Fund.

Potential Reporting Obligations; Other Regulatory Regimes. Acquisitions by a Fund of equity securities may result in reporting and compliance obligations under the Exchange Act and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or their equivalent regimes in non-U.S. jurisdictions. Portfolio investments may also subject a Fund and, in limited circumstances, its partners, to other regulatory and reporting requirements. Investments in the communications, insurance and mortgage industries could require a Fund to secure regulatory approvals or licenses, or to disclose information about itself or its equity holders. For example, a Fund may need to obtain state licenses to purchase and hold mortgage loans. Applying for and obtaining these licenses could take several months and there is no assurance a Fund will obtain all desired licenses, in which case its investment options could be restricted. In addition, a Fund will be subject to tax reporting requirements in the United States and possibly in other jurisdictions. The costs of compliance will be borne by such Fund.

Illiquidity; Limited Market for Fund Investments. Most, if not all, of a Fund's portfolio investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize on such portfolio investments in a timely manner. An investment in a Fund requires a long-term commitment, which may extend beyond the initial term of such Fund as provided in the Fund's Governing Documents, with no certainty of return. Although portfolio investments may generate some current income, the return of capital and the realization of gains, if any, from a portfolio investment will generally occur only upon the partial or complete disposition or refinancing of such portfolio investment. While a portfolio investment may be sold at any time, it is not generally expected that this will occur for a number of years after the portfolio investment is made. Furthermore, it is unlikely that there will be a public market for the portfolio investments at the time of their acquisition. A Fund, its general partner, and Global generally will not be able to sell portfolio investments publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In some cases, a Fund may be prohibited by contract or legal or regulatory reasons from selling certain portfolio investments for a period of time.

Risk Management; Operational Controls. Although Global and each Fund's general partner will seek to manage investment risks by employing appropriate due diligence, analysis and pricing models prior to a Fund's investment in a portfolio investment, there is no assurance that these methods will expose all the considerations relevant to the investment decision. Further, the operational controls and risk management techniques used by Global and a Fund's general partner involve third parties over whom Global and such general partner do not exercise control, including outsourced providers of fund administration and custody services. The proper operation of a Fund and safekeeping of a Fund's assets depends on the performance and financial wherewithal of these third parties. The operational controls and risk management techniques used by Global and a Fund's general partner also necessarily include subjective elements, making the judgment and discretion of Global and such general partner's investment professionals, and Global's "federation" (i.e., control-side) professionals, fundamental to the risk management process. The greater the importance of subjective factors, the more challenging it

becomes for Global and a Fund's general partner to control for risk, which in turn increases the likelihood of unpredictable results with respect to a portfolio investment and a Fund's overall performance.

Contingent Liabilities. From time to time, a Fund may incur contingent liabilities in connection with an investment. For example, a Fund may enter into agreements pursuant to which it guarantees the indebtedness of a portfolio investment. In connection with the disposition of a portfolio investment, a Fund may be required to make representations about the business and financial affairs of such investment typically made in connection with the sale of assets or a business (such as environmental, property, tax, insurance and litigation), and may be required to indemnify the purchasers of such investment to the extent such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the applicable Fund's general partner may establish reserves or escrows. In that regard, a Fund's investors may be required to return amounts distributed to them to fund Fund obligations, including indemnity obligations, subject to certain limitations as set forth in a Fund's Governing Documents. A Fund may incur numerous other types of contingent liabilities, and there can be no assurance that such Fund will adequately reserve for its contingent liabilities or that such liabilities will not have an adverse effect on the Fund.

Nature of Real Estate Investments Generally. The Funds' portfolio investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. Deterioration of real estate fundamentals generally, and in North America and Europe in particular, may negatively impact the performance of the Fund. Additional risks include, but are not limited to, those associated with the burdens of ownership of real property, general and local economic conditions, changes in environmental and zoning laws, uninsured or uninsurable losses, regulatory limitations on rents, decreases in property values, changes in tenant demand, changes in supply of and demand for competing properties in a particular area, fluctuations in the rates and occupancy for hotel properties, changes in housing policy, the financial resources of tenants, changes in availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, changes in building and similar laws, energy and supply shortages, terrorist attacks, war, natural disasters and other "acts of God", changes in real property tax rates and operating expenses, changes in interest rates, and the availability of mortgage funds, which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increases in borrowing rates, environmental liabilities, contingent liabilities on disposition of assets, and other factors that are beyond the control of Global. Most of the potential portfolio investments will be difficult to value, and if Global's opinion as to the value of an investment is incorrect or not shared by other market participants, a Fund's returns will be adversely affected.

There can be no assurance that there will be a ready market for the resale of portfolio investments because portfolio investments will generally not be liquid. Illiquidity may result from the absence of an established market for portfolio investments, as well as legal or contractual restrictions on their resale by the applicable Fund. In addition, potential purchasers of portfolio investments may have different views as to the value of the investments, such that a Fund is unable to dispose of investments at the value of which it is carrying them.

Risks of Acquiring Real Estate Property. The Funds' portfolio investments will be subject to various risks that may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of the portfolio investments' properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease there may be a period of time before the Fund's portfolio investments will begin receiving rental payments under a replacement lease. During that period, the portfolio investments (and indirectly, the Funds) will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions may impair the portfolio investments' ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require the portfolio investments to make capital improvements to properties that would otherwise be available for distribution to investors. To the extent that the portfolio investments are unable to renew leases or re-let spaces as leases expire, decreased cash flow from tenants will result, which could adversely impact Funds' returns.

Additionally, a Fund may be required to spend funds to correct defects or make improvements before a property can be sold. No assurance can be given that a Fund will have the necessary funds for such projects. On an acquisition, a Fund may be required to agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others that could impede a Fund's ability to respond to adverse changes in the performance of the Fund's portfolio investments could significantly affect such Fund's financial condition and operating results.

In some instances, the principal asset of the lessee of a portfolio investment's property may be only the tenant's improvements on the property, or the liability of the lessee may be limited to its interest in such improvements. In these cases, the portfolio investment will be required to rely on the lessee's equity interest in the improvements for its security. In the event of a default by a lessee or other premature termination of a lease, the portfolio investment may experience delays in enforcing its rights as lessor, may incur substantial costs in protecting its investment and may experience an impairment of value.

Due to the relatively illiquid nature of real estate investments, Global's ability to vary a Fund's portfolio promptly in response to changes in economic other conditions will be limited.

In addition, adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on a Fund's ability to collect rent payments and, accordingly, on its ability to make distributions to investors. A tenant may experience, from time to time, a downturn in its business which may weaken its financial condition and result in its failure to make rental payments when due. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and thereby cause a reduction in the distributable cash flow of a Fund.

Risks of Acquiring Real Estate Loans and Participations. A Fund may acquire real estate loans or participation interests therein which may be nonperforming at the time of their acquisition or may later become nonperforming for a wide variety of reasons. Such nonperforming real estate

loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. Even in such circumstances, it may be that, upon maturity of such real estate loan, replacement “takeout” financing will not be available. Purchases of participations in real estate loans raise many of the same risks as direct investments in real estate loans and also carry risks of illiquidity and lack of control. In addition, loan participations also involve credit exposure to the financial institutions participating the loan. It is possible that a Fund may foreclose on collateral securing one or more real estate loans purchased by such Fund. The foreclosure process varies between jurisdictions and can be lengthy and expensive. Borrowers may resist foreclosure actions by asserting numerous claims and defenses against the holder of a loan, including, without limitation, numerous lender liability claims and defenses, even when such assertions may have no basis in fact, which can significantly prolong and increase the costs of the process. At any time during the foreclosure proceedings, a borrower may file for bankruptcy, which would stay the foreclosure action and further delay the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. In addition, certain of the real estate loans in which a Fund may invest may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. Investing in real estate-related loans will subject a Fund to many of the risks of investment in real estate generally, especially where the loans are acquired in distressed or “loan to own” situations. If a Fund acquires a loan participation, it will generally be unable to enforce its rights against the borrower or the collateral directly, and will instead be dependent on the participating financial institution.

Some of a Fund’s investments in real estate loans and participations may not be rated by any recognized rating agency. Generally, the value of unrated classes is more subject to fluctuation due to economic conditions than rated classes and there is increased risk of nonpayment or of a significant delay in payments on unrated classes. Should assets be downgraded, it may adversely affect their value and may adversely affect the value of such Fund.

Commercial Mortgage Loans. A Fund may hold directly or indirectly (e.g., through investments in CMBS or companies that originate, service or invest in mortgage loans) or be exposed to commercial mortgage loans. Commercial mortgage loans are generally secured by multi-family or commercial property and are subject to risks of delinquency and foreclosure, and risks of loss that are greater than similar risks associated with residential mortgage loans that are secured by single-family residential property. The ability of a borrower to repay a loan secured by an income-producing property is dependent primarily upon the successful operation of such property. If the net operating income of the property is reduced, the borrower’s ability to repay the loan may be impaired. Net operating income of an income-producing property can be affected by, among other things: tenant mix, success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expense or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental

legislation, acts of God, terrorism, social unrest and civil disturbances. A commercial property may not readily be converted to an alternative use in the event that the operation of such commercial property for its original purpose becomes unprofitable. In such cases, the conversion of the commercial property to an alternative use would generally require substantial capital expenditures. The liquidation value of any such commercial property may be substantially less, relative to the amount outstanding on the related commercial mortgage loan, than would be the case if such commercial property were readily adaptable to other uses.

Residential Mortgage Loans. A Fund may hold (e.g., through investments in residential mortgage-backed securities or companies that originate, service or invest in mortgage loans) or be exposed to residential mortgage loans. Residential mortgage loans are secured by single-family residential property and are subject to risks of delinquency and foreclosure and risks of loss. The ability of a borrower to repay a loan secured by a residential property is dependent upon various factors, including the income or assets of the borrower. A Fund may hold or be exposed to non-prime or sub-prime residential mortgage loans (which are subject to higher delinquency, foreclosure and loss rates than prime residential mortgage loans), which could result in higher losses to such Fund. Non-prime and sub-prime residential mortgage loans are made to borrowers who have poor or limited credit histories and, as a result, do not qualify for traditional mortgage products. Because of the poor, or lack of, credit history, non-prime and sub-prime borrowers have materially higher rates of delinquency, foreclosure and loss compared to prime credit quality borrowers. Loans to non-owner occupied properties may present a greater risk of loss because these borrowers may be more likely to default on a mortgage loan than a mortgage loan secured by a primary residence of a borrower.

Governmental Actions Affecting Mortgages and Mortgage Foreclosures. The federal government, state governments, consumer advocacy groups and others continue to urge mortgage servicers to be aggressive in modifying mortgage loans to avoid foreclosure. In addition, numerous laws, regulations and rules have been proposed recently by federal, state, and local governmental authorities that, if enacted or adopted, could delay foreclosure, reduce or delay payments by homeowners, forgive debt, and increase prepayments due to the availability of government-sponsored refinancing initiatives. Also, several courts, state, and local governments, and elected or appointed officials have taken unprecedented steps to slow or prevent foreclosures. A number of these laws have been enacted, including in California. A Fund may have a substantial amount of its capital invested in residential mortgage loans and could be adversely affected by such actions.

There have been numerous press reports concerning possible deficiencies in the processes by which servicers conduct foreclosure proceedings. Certain large banks and servicers have voluntarily halted foreclosure proceedings with respect to mortgage loans they own and/or service so that internal reviews may be conducted to ensure that their foreclosure process satisfies all applicable requirements. The announcements of these banks and servicers have led to certain federal and state legislators calling for a more broad-based moratorium on foreclosures generally. If any such moratorium is instituted or if any industry-wide adverse regulatory or judicial actions are taken in respect of foreclosures, any investment by a Fund in residential mortgage loans could be adversely affected.

In addition, some municipalities have threatened to use the power of eminent domain to seize residential mortgage loans. If such power is exercised successfully, a Fund or its portfolio investments may be forced to sell the mortgages at a loss.

Predatory and Other Lending Laws. A Fund may be subject to liability for potential violations of predatory and other lending laws, which could adversely impact the Fund's results of operations, financial conditions and business.

Under the anti-predatory lending laws of some states, the origination of certain residential mortgage loans must satisfy a net tangible benefits test with respect to the related borrower. This test may be highly subjective and open to interpretation. As a result, a court may determine that a residential mortgage loan, for example, does not meet the test even if the related originator reasonably believed that the test was satisfied.

Failure of residential mortgage loan originators or servicers to comply with these laws, to the extent any of their residential mortgage loans become part of a Fund's mortgage-related assets, could subject such Fund or a portfolio investment, as assignees or purchasers of the related residential mortgage loans, to monetary penalties and could result in the borrowers attempting to rescind the affected residential mortgage loans. If the loans are found to have been originated in violation of predatory or abusive lending laws, and a Fund or such portfolio investments have no rights to indemnification or the sellers are unable to meet their indemnification obligations, such Fund could incur losses, which could adversely impact the Fund's results of operations, financial conditions and business.

Changes in Prepayment Rates. Changes in prepayment rates could reduce the value of mortgage loans directly held by a Fund or underlying a security held by such Fund. In the case of residential mortgage loans, there are seldom any restrictions on borrowers' abilities to prepay their loans. Homeowners tend to prepay mortgage loans faster when interest rates fall. Consequently, owners of the loans have to reinvest the money received from the prepayments at the lower prevailing interest rates. Conversely, homeowners tend not to prepay mortgage loans when interest rates rise. Consequently, owners of the loans are unable to reinvest money that would have otherwise been received from prepayments at the higher rates. The negative effect of the rate increase on the market value of MBS is usually more pronounced than it is for other types of fixed-income securities.

Pools of Whole Loans. In connection with the acquisition of whole loans, a Fund may be required to purchase other types of mortgage assets as part of an available pool of mortgage assets in order to acquire the desired whole loans. These other mortgage assets may include mortgage assets that subject a Fund to additional risks. Acquisition of less desirable mortgage assets may impair a Fund's performance and reduce returns to investors.

Risks of Investing In REITs. The risks to which a Fund's investments in REITs will subject the Fund are similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. In addition, a Fund's investments in REITs subject it to management and tax risks.

Risks Associated with Service Providers. In addition to risks associated with attempting to predict default and recovery rates on mortgages that a Fund may acquire or to which it otherwise has exposure, the creditworthiness, servicing practices and viability of the service providers of such mortgages are also significant risks. Illiquidity and unpredictability in these markets make it difficult to determine whether such service providers have sufficient capital and adequate staffing levels to fulfill their servicing obligations and the extent to which such service providers are subject to regulatory risks and risk of error.

A Fund will also be exposed to these and other risks to the extent it has a financial interest in a service provider or otherwise engages in servicing activities. While a Fund may utilize (or replace existing service providers with) affiliated service providers, there can be no assurance that any such affiliated service provider will be successful or will have a positive impact on such Fund's performance.

Investments in Troubled Assets. A Fund may make substantial investments in nonperforming, underperforming, other troubled assets or undercapitalized real estate companies which involve a degree of financial risk and are experiencing, or are expected to experience, severe financial difficulties, which may never be overcome and which may lead to a loss of some or all of the Fund's investment. The portfolio investments may have been originated or sponsored by financial institutions that are insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards (if any) by which such investments were originated, the recourse to the selling institution, or the standards (if any) by which such investments are being serviced or operated may be adversely affected. In addition, certain of a Fund's investments may become subject to compromise and/or discharge under the U.S. Bankruptcy Code. Further, investments in entities that later file for relief as debtors in proceedings under Chapter 11 of the Bankruptcy Code may, in certain circumstances, be subject to litigation which could further impair the value of the investment. Under certain circumstances under U.S. law, payments to a Fund and distributions by the Fund to its investors may be reclaimed in such proceedings if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment or the equivalent under the laws of certain other jurisdictions. Non-U.S. jurisdictions may present analogous or different credit issues. Bankruptcy laws may delay the ability of a Fund to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination. Bankruptcy laws may also result in a restructure of the debt without a Fund's consent under the "cramdown" provisions of the bankruptcy laws and may also result in a discharge of all or part of the debt without payment to such Fund.

Investments in Land / New Development; Risk of Fraud. A Fund may acquire direct or indirect interests in undeveloped land or underdeveloped real property, which often is non-income producing. To the extent that a Fund invests in such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of a Fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an

adverse effect on a Fund and on the amount of proceeds available for distribution to the Fund's partners. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development and make such development less attractive than at the time it was commenced.

In addition, investments in new development activities could be susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any portfolio investment, the applicable Fund may suffer a partial or total loss of capital invested in that investment. There can be no assurance that any such losses will be offset by gains (if any) realized on such Fund's other portfolio investments.

Availability of Insurance Against Certain Catastrophic Losses. Funds will generally seek to ensure that portfolio investments maintain appropriate liability, flood, extended coverage and rental loss insurance. However, certain losses may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments (such as insuring against terrorist acts and certain natural disasters). As a result, not all investments may be insured against terrorism or other catastrophes. If a major uninsured loss occurs, a Fund could lose both invested capital in, and anticipated profits from, the affected investments.

Environmental and Similar Liabilities. A Fund may be exposed to substantial risk of loss from claims arising from portfolio investments involving undisclosed or unknown environmental, health or occupational safety matters, or problems with inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. A Fund may obtain environmental liability insurance on a case-by-case basis. Under various federal, state, and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefor as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on a Fund's return from such portfolio investment. Environmental claims with respect to a specific portfolio investment may exceed the value of such portfolio investment, and under certain circumstances, subject the other assets of a Fund to such liabilities. In addition, even in cases where a Fund is indemnified or insured against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the indemnitor or insurer to satisfy such indemnities or insurance or the ability of the Fund to achieve enforcement of such indemnities or insurance.

Litigation at the Property Level. The acquisition, ownership and disposition of real properties entail litigation risks, including in relation to activities that took place prior to a Fund's

acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favor of another as part of a Fund's efforts to maximize sale proceeds or if the Fund ultimately decides not to sell. Similarly, buyers of the portfolio investments may later sue a Fund for losses associated with latent defects or other problems not uncovered in due diligence.

Eurozone Risks. A Fund may invest in European properties and other assets that have operations that may be affected by the Eurozone economy, including those denominated in the Euro. Concerns regarding the sovereign debt of various Eurozone countries and proposals for investors to incur substantial write-downs and reductions in the face value of sovereign debt have given rise to new concerns about sovereign defaults, the possibility that one or more countries might leave the European Union or the Eurozone and various proposals (still under consideration and unclear in material respects) for support of affected countries and the Euro as a currency. Sovereign debt defaults and European Union and/or Eurozone exits could have material adverse effects on certain of a Fund's investments.

Interest Rate Risks. The Funds, both directly and indirectly through portfolio investments, are expected to have exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect a Fund. For example, an increase in interest rates could increase the debt service burden on a Fund's portfolio investments, could make it more costly to refinance the debt of a Fund's portfolio investments and could cause a decrease in value in a Fund's debt investments. Factors that may affect market interest rates include, without limitation, inflation, slow or stagnant economic growth, or recession, unemployment, money supply and the monetary policies of the Federal Reserve Board, international disorders, and instability in domestic and foreign financial markets. Global expects that it will periodically experience imbalances in the interest rate sensitivities of a Fund's assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, Global may not be able to manage this risk effectively. If Global is unable to manage interest rate risk effectively, a Fund's performance could be adversely affected.

Tax Considerations. Investing in a Fund may involve complex U.S. federal income tax considerations that will differ for each investor, and there may be delays in distributing important tax information to investors. A Fund may be subject to income and/or withholding taxes in various jurisdictions in which it conducts investment activities. The rate of any withholding taxes and the creditability of such foreign taxes may depend on the facts and circumstances relating to the particular investment and may differ for each investment.

A Fund may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should the U.S. Internal Revenue Service ("IRS") successfully challenge any such positions, an investor might be found to have a different tax liability for that year than that reported on his, her, or its federal income tax return. For instance, the IRS could contend that break-up, transaction, and similar fees that reduce management fees are income of the Fund and the portion thereof allocable to a tax-exempt investor is unrelated business taxable income ("UBTI"), and the portion thereof allocable to a non-U.S. investor is income that is

effectively connected income with the conduct of a U.S. trade or business (“ECI”) or is subject to withholding tax.

Subject to any limitations in a Fund’s Governing Documents, Funds are expected to engage in investment activities that would give rise to income and gain treated as ECI when allocated to a non-U.S. investor and UBTI when allocated to a tax-exempt investor. Furthermore, although the a Fund’s general partner may form Parallel Funds to mitigate the administrative burden of U.S. tax filings as a result of ECI for non-U.S. investors, there can be no assurances that non-U.S. investors that participate in such Parallel Funds will not be allocated ECI and required to file U.S. tax returns and pay U.S. taxes with respect to any investment.

Funds will hold, directly or indirectly, assets that will be considered “U.S. real property interests” (“USRPI”) for U.S. federal income tax purposes. A Non-U.S. investor may be subject to tax (including gross basis withholding tax) and information reporting requirements on the disposition of an interest in a Fund to the extent the interest is attributable to USRPI, and may also be subject to tax with respect to their allocable share of Fund income and gain to the extent attributable to gains from the disposition of USRPI.

A Fund may be involved in a variety of hedging transactions to reduce the risk of changes in value in the portfolio investments.

The taxation of partnerships and partners is complex. Potential investors are strongly urged to consult their own tax advisors and carefully review the tax disclosure in a Fund’s offering documents.

ITEM 9 – DISCIPLINARY INFORMATION

Not applicable.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Global has an affiliate, TPG BD (CRD no. 143876), which is a broker-dealer registered with the Securities and Exchange Commission. TPG BD places securities and instruments issued by certain private funds that Global, together with the TPG Management Companies, and related entities manage individually or through their principals, as well as securities and instruments issued by other entities not related to Global or its related entities.

TPG BD may, from time to time, manage or otherwise participate in underwriting syndicates and/or selling groups with respect to securities and instruments issued by portfolio companies of a Global Vehicle or be involved in the public or private placement of such securities. TPG BD may act as lead underwriter in such syndicates or groups. In connection with these transactions, TPG BD may directly or as part of an underwriting syndicate buy from such portfolio companies of Global Vehicles the securities issued. TPG BD may, in some cases, act as a broker in transactions on behalf of Global Vehicles. TPG BD may also, from time to time, participate in the syndication of opportunities to co-invest in portfolio companies alongside certain Global Vehicles and provide advisory services to portfolio companies of Global Vehicles. In addition,

TPG BD may, alone or with other parties (including other entities affiliated with Global and its affiliates), arrange lines of credit to portfolio companies of Global Vehicles, Global Vehicles and other third party borrowers.

TPG BD and other affiliates of Global may receive fees, commissions and other compensation in respect of the foregoing activities. TPG BD and other affiliates of Global may, in connection with such activities, from time to time hold positions in instruments or securities issued by portfolio companies. TPG BD may act as the placement agent for a Global Vehicle in respect of securities or instruments issued by the Global Vehicle (although no commissions or other compensation is received by TPG BD from such Global Vehicles or their investors for such service). While fees, commissions and other compensation paid to TPG BD are generally believed by Global and its affiliates to be reasonable, such compensation is not in each case negotiated at arm's length and from time to time may be in excess of fees, commissions or other compensation that would be charged by an unaffiliated third party. Global uses TPG BD as broker-dealer in any transaction only if such use is consistent with Global's fiduciary duties. Global Vehicles generally do not have the right to share in the compensation received by TPG BD for its role in any transaction.

The relationship Global has with TPG BD may give rise to a conflict of interest between Global and Global Vehicles that have an interest in any portfolio companies or investment vehicles with respect to which TPG BD provide services. In particular, Global may have an incentive to seek to influence the decision by a portfolio company's management to retain TPG BD, or to otherwise transact with TPG BD, instead of other unaffiliated broker-dealers or other service providers or counterparties that may be more appropriate or offer better terms. Global could also have an incentive to structure portfolio company transactions, including related co-investment opportunities, so that they require the use of a broker-dealer (and consequently provide an opportunity for TPG BD to be retained by a portfolio company or acquisition company established for the relevant transaction and generate commissions, syndication fees, arranging fees or other compensation).

TPG BD may act as placement agent in respect of investment funds that are sponsored and managed by third-party investment managers, including funds that may compete with Global Vehicles. In providing such services to, or with respect to, a competitor fund or company, TPG BD will not take into consideration the interests of the relevant portfolio companies or Global Vehicles.

Global generally will evaluate any such transactions on a case-by-case basis to address any such conflicts. Transactions involving a Global Vehicle and TPG BD are also reviewed with regard to the appropriateness of the transaction and any fiduciary obligations. In addition, Global reviews such transactions to ensure that the requirements of Section 206(3) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), in respect of principal transactions between any Global Vehicle and Global or its affiliates (including TPG BD) are complied with in the context of such transactions.

For a description of material conflicts of interest created by Global's relationship with TPG BD, please see Item 11 below.

The following investment advisers are affiliates of Global with which Global may have a relationship: TPG Capital Advisors, LLC, TPG Opportunities Advisors, LLC, and TSL Advisors, LLC, along with their respective relying advisers.

For a description of material conflicts of interest created by the relationship among Global and its affiliated advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

Various entities serve as general partners of the Global Vehicles, and are related persons of Global. For a description of material conflicts of interest created by the relationship among Global and the general partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

For the purposes of this Item 11, “Global” shall refer to “Global, together with the applicable TPG Management Company,” except where context otherwise requires.

Code of Ethics

Global has adopted a comprehensive Code of Ethics that is applicable to all of its officers and employees, officers and employees of certain independent contractors, certain temporary personnel, and also to certain affiliates of Global and their officers and employees (collectively, “Global Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Global Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Global Vehicle, subject to the terms of the Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Global Vehicles. If officers, principals and employees of Global have made large capital investments in or alongside the Global Vehicles they may have conflicting interests with respect to these investments. The Code of Ethics generally permits such transactions, however, only if (i) the transaction is “pre-cleared” by Global’s Chief Compliance Officer or his designee or (ii) the transaction is exempt from pre-clearance under the Code of Ethics. Under the Code of Ethics, Global Personnel also are required to file certain periodic reports as required by Rule 204A-1 under the Advisers Act.

Global will provide a copy of the Code of Ethics to any Global Advisee or prospective client upon request.

Participation or Interest in Client Transactions; Related Person Investments

For information regarding circumstances in which Global or a related person (a) recommends to Global Advisees, or buys or sells for Global Vehicles’ accounts, securities in which Global or a related person has a material financial interest, (b) invests in the same securities that Global or a

related person recommends to Global Advisees, or (c) recommends securities to Global Advisees, or buys or sells securities for Global Vehicle accounts, at or about the same time that Global or a related person buys or sells the same securities for Global's own (or the related person's own) account, as well as related conflicts of interest, please see "Conflicts of Interest" below.

Conflicts of Interest

As discussed further below, Global and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds or accounts, and providing investment advisory and other services to funds and operating companies.

Each TPG Management Company and affiliated adviser forming a part of Global has a number of related advisers (including other TPG Management Companies) that focus primarily on different investment strategies (collectively, the "Related Advisers"), although such investment strategies may overlap from time to time. The funds and accounts managed by the Related Advisers are referred to as the "Related Funds."

In the ordinary course of conducting its activities, the interests of a Global Advisee may conflict with the interests of Global, other Global Advisees, Related Funds, Related Advisers or their respective affiliates. Certain of these conflicts of interest, as well as a description of how Global addresses such conflicts of interest, are described below.

Global and the Related Advisers, certain employees and affiliates of Global and the Related Advisers, and certain other persons associated with Global and executives of current and former portfolio companies of Global Vehicles may invest in Global Vehicles, either through their general partners, as limited partners or otherwise, to facilitate participation by such persons in portfolio investments made by Global Vehicles. A Global Vehicle may in its discretion reduce all or a portion of the management fee and performance allocation related to investments held by such persons.

Resolution of Conflicts

Each of Global and the other Related Advisers will deal with all conflicts of interest using its best judgment, but in its sole discretion. When conflicts arise between a Global Vehicle and a Related Fund, Global will represent the interests of such Global Vehicle, and the applicable Related Adviser will represent the interests of the Related Fund. In resolving conflicts, Global and the other Related Adviser may consider various factors, including the interests of the funds and accounts they advise in the context of both the immediate issue at hand and the longer term course of dealing among such Global Vehicle and the Related Fund. When conflicts arise between a Global Vehicle and another Global Vehicle, Global will resolve the conflict. In doing so, it may consider various factors, including the interests of such Global Vehicle and the other Global Vehicle with respect to the immediate issue and/or with respect to the longer term course of dealing among the funds. In the case of all conflicts involving a Global Vehicle, Global's

determination as to which factors are relevant, and the resolution of such conflicts, will be made in Global's sole discretion.

The following factors may alleviate, but will not eliminate, conflicts of interest:

- A Global Vehicle will not make any investment unless Global and the Global Vehicle's general partner believe that such investment is an appropriate investment considered solely from the viewpoint of such Global Vehicle;
- Many important conflicts of interest may be resolved pursuant to set procedures, restrictions or other provisions contained in the relevant Governing Documents for the Global Vehicles;
- With respect to the Funds, the advisory committees for a Fund, whose members are not affiliated with the general partner of such Fund, generally play an important role in resolving conflicts of interest by approving or disapproving decisions that involve certain conflicts of interest referred to it by such Fund's general partner in accordance with the relevant Governing Documents for the Fund;
- When Global deems appropriate in its sole discretion, unaffiliated third-party service providers may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price. In addition, the willingness of a third-party investor to make an investment on the same or similar terms as a Global Vehicle may demonstrate the fairness of the transaction to such Global Vehicle;
- Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund; and
- Global may in limited circumstances erect temporary information barriers to restrict the transfer of confidential information between business units, if deemed appropriate.

Potential Conflicts of Interest

The material conflicts of interest that may be encountered by a Global Advisee include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may potentially be faced by a Global Advisee. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Principal Transactions

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. The Advisers Act generally requires that, when an investment adviser or an affiliate of the adviser proposes to purchase a security from, or to sell a security to, an advisory client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction.

In connection with Global's advising of the Global Vehicles, Global and/or the Global Vehicles may, in certain circumstances, engage in principal transactions, as described more thoroughly below.

Also, from time to time, affiliates of Global or the Related Advisers, who may control, be controlled by or be under common control with Global, the Related Advisers and/or their respective affiliates, will provide seed capital to help fund a new Fund. In doing so, Global, the Related Advisers and/or their respective affiliates may purchase securities that are later transferred into the Fund in exchange for a percentage ownership in such Fund. Global reviews such transactions with outside counsel to ensure that the requirements of Section 206(3) of the Advisers Act in respect of principal transactions are complied with in the context of such transactions.

Global has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that the requisite disclosures be made to the applicable Global Vehicle regarding any proposed principal transactions, if required by the Advisers Act or applicable law, and the Global Vehicle's prior consent to the transaction be received. In addition, the Governing Documents relating to the Global Vehicles may contain additional restrictions on the ability of the Global Vehicles or Global to engage in principal transactions and disclosures regarding principal transactions that are likely to arise in the activities of Global Vehicles.

Participation of TPG BD in Global Vehicle Transactions

As noted above under "Other Financial Industry Activities and Affiliations," Global has an affiliate, TPG BD, which may from time to time participate in underwriting syndicates and/or selling groups with respect to securities or instruments issued by portfolio companies of Global Vehicles or may otherwise be involved in the public or private placement of such securities or instruments and the syndication of opportunities to co-invest in portfolio companies alongside certain Global Vehicles. TPG BD may act as lead underwriter in such syndicates or groups. In connection with these transactions, TPG BD may directly or as part of an underwriting syndicate buy from such portfolio companies of Global Vehicles the securities issued. TPG BD may also, in some cases, act as a broker in transactions on behalf of Global Vehicles. TPG BD may also, alone or with other lenders, arrange lines of credit to portfolio companies of Global Vehicles and other third party borrowers. TPG BD and other affiliates of Global may receive fees, commissions and other compensation in respect of the foregoing activities, and TPG BD, Global and affiliates of Global may, in connection with such activities, from time to time hold positions in instruments or securities issued by portfolio companies. TPG may also act as the placement agent for a Global Vehicle (although no commissions or other compensation is received by TPG BD from such Global Vehicles or their investors for such service).

As discussed in Item 10, transactions involving a Global Vehicle and TPG BD are generally reviewed by Global with regard to the appropriateness of the transaction and the firm's fiduciary obligations. In addition, Global reviews such transactions with outside counsel to ensure that the requirements of Section 206(3) of the Advisers Act in respect of principal transactions between

any Global Vehicle and Global or its affiliates (including TPG BD) are complied with in the context of such transactions. TPG BD may have access to confidential and/or material non-public information regarding Global Vehicles or their portfolio companies and, subject to applicable law, may use such information in connection with financing and other services provided by TPG BD.

Third-Party Placement Agents

Global may from time to time enter into arrangements with third-parties to raise capital for a Global Vehicle. Such placement agents may receive a flat fee or in some cases a percentage of the investments they bring to the respective Fund. Such fees are generally borne by Global and not the Global Vehicle. There is a conflict of interest created by the placement agent's compensation being based on the investor's decision to invest.

Financial Interest in Global Vehicle Transactions

As described above in response to Item 5, Global and its affiliates may receive financial advisory and monitoring and transaction fees and other compensation for services provided to portfolio companies of Global Vehicles. Such parties may also receive accelerated monitoring fees, "break-up" fees, and other compensation with respect to Global Vehicle portfolio company investments (including unconsummated or terminated transactions).

As noted in response to Item 5, Global Personnel may serve on the boards of portfolio companies of Global Vehicles. Serving in such capacity may give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director may conflict with the interests of Global Vehicles, but, because the Global Vehicles will generally be significant shareholders of such companies, it is expected that such interests will generally be aligned.

Global Personnel may also serve as directors, or otherwise be associated with, companies that are competitors of portfolio companies of certain Global Vehicles. It would be expected that the interests of a competitor company would often not be aligned with those of a Global Vehicle or its portfolio company. In addition, portfolio companies of Global Vehicles may, from time to time, make discounts and other benefits available to Global Personnel in connection with products or services offered by such companies. Portfolio companies of Global Vehicles may also be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Global Vehicles that may involve fees and/or servicing payments to Global or its affiliates which are not subject to management fee offsets or otherwise shared with the relevant Global Vehicles.

Global and its affiliates may offer co-investment opportunities and enter into strategic partnerships directly or indirectly with investors that commit significant capital to a range of Global's and its affiliates' platform of products, investment ideas and asset classes. Such arrangements may include Global or its affiliates granting certain preferential terms to such investors. Depending on the Governing Documents of any Global Vehicle into which such vehicles and accounts invest, such preferential terms may not be subject to the "most favored nation" provisions of the Global Vehicle.

Allocation of Investment Opportunities, Fees, and Expenses

Global and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of various investment funds and the provision of investment advisory and other services to funds and operating companies. In connection with its investment activities, Global may encounter situations in which it must determine how to allocate investment opportunities among various Global Vehicles and other persons, which may include, but are not limited to, the following:

- The Funds and Related Funds;
- Any parallel investment entities that have been formed to invest side-by-side with one or more Funds (either in all transactions entered into by such Funds or in a limited subset of such investments);
- Any alternative investment vehicles that have been formed to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions;
- Any Global Vehicles that have been formed to invest side-by-side with one or more Funds in particular transactions entered into by such Funds or for the purpose of pursuing a specific investment strategy (the investors in such Global Vehicles may include individuals and entities that are also investors in one or more Funds (collectively, “Global Investors”) and/or individuals and entities that are not investors in any Funds (collectively, “Third Parties”));
- Global Investors and/or Third Parties that wish to make direct investments (*i.e.*, not through an investment vehicle) side-by-side with one or more Global Vehicles in particular transactions entered into by such Global Vehicles; and
- Global Investors and/or Third Parties acting as “co-sponsors” with Global with respect to a particular transaction.

For each such Global Vehicle or other person discussed above, subject to applicable legal, contractual or similar restrictions, Global generally may decide, in its sole discretion, whether Global or a related person may seek to charge any fees or to receive any performance-based compensation or allocations in connection with such investment opportunities.

The Global Vehicles are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements may be set forth in the Governing Documents of the Global Vehicles. Prior to making any allocation to a Global Vehicle of an investment opportunity, Global generally determines whether it may be required to offer an investment opportunity to one or more Global Vehicles. This obligation to offer investment opportunities is in most cases set forth in a Global Vehicle’s Governing Documents. To the extent the Investment Allocation Requirements of a Global Vehicle do not include

specific allocation procedures and/or allow Global discretion in making allocation decisions among the Global Vehicles, Global generally will follow the process set forth below.

Global must first determine which Global Vehicles will, or are required to, participate in an investment opportunity. Global generally assesses whether an investment opportunity is appropriate for a particular Global Vehicle, based on the Global Vehicle's investment objectives, strategies and structure. A Global Vehicle's investment objectives, strategies and structure typically are reflected in the Global Vehicle's Governing Documents.

Once the Global Vehicles that will participate in an investment opportunity have been identified, Global, in its discretion, decides how to allocate such investment opportunity among the identified Global Vehicles. In allocating such investment opportunity, Global may consider some or all of a wide range of factors, which may include, but are not necessarily limited to, the following:

- The Global Vehicle's investment objectives and investment focus;
- The Global Vehicle's liquidity and reserves;
- The sourcing of such investment opportunity within Global;
- The expected amount of capital required for the investment as well as the Global Vehicle's projected future capacity for investment;
- The Global Vehicle's targeted rate of return;
- The stage of development of the prospective portfolio company or other investment;
- The existing portfolio of investments of the Global Vehicle;
- The risk profile of the investment opportunity;
- The expected life cycle of the Global Vehicle;
- The relative amounts of capital available for investment by the relevant Global Vehicles;
- Any allocation targets (*e.g.*, industry targets and size targets) of the Global Vehicle;
- Global Personnel who will monitor and oversee such investment opportunity;
- The ability of the Global Vehicle to accommodate structural, timing or other aspects of the investment process;
- Legal, tax, contractual, regulatory or other considerations deemed relevant in good faith; and
- Any other factors deemed relevant by the Allocation Team.

Global will determine if the amount of an investment opportunity in which a Fund will invest exceeds the amount Global determines would be appropriate for such Fund (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as consultants and advisors to Global and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose

allocation is determined by Global to be in the best interests of the applicable Fund), and any such excess may be offered to one or more Co-Investment Vehicles or other co-investors pursuant to the procedures included in such Funds' Governing Documents and as set forth in the following paragraphs.

In exercising its discretion to decide how to allocate co-investment opportunities with respect to a particular investment opportunity among the Funds, the Co-Investment Vehicles, and related vehicles and other accounts and persons (such as Global Investors and Third Parties), Global may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- Global's evaluation of the size and financial resources of the other account or person and Global's perception of the ability of that account or person (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Global Vehicles without harming or otherwise prejudicing such Global Vehicles, in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns Global may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such account or person to evaluate the investment opportunity;
- Global's perception of its (or its Related Advisers') past experiences and relationships with the other account or person, such as the willingness or ability of the other account or person to respond promptly and/or affirmatively to potential investment opportunities previously offered by Global (or its Related Advisers);
- Global's perception of whether the investment opportunity may subject the other account or person to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- Global's evaluation of whether the profile or characteristics of the other account or person may have an effect on the viability or terms of the proposed investment opportunity and the ability of the Global Vehicles to take advantage of such opportunity (for example, if the other account or person is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the other account or person, or the jurisdiction in which the other account or person is based, may affect the likelihood of a Global Vehicle being able to capitalize on a potential investment opportunity); and
- Whether Global believes, in its sole discretion, that allocating investment opportunities to an account or person will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to the Global Vehicles or Global.

Global's exercise of its discretion in allocating investment opportunities among the persons and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While Global will determine how to allocate investment opportunities that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Global Vehicle's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which Global may be subject, discussed herein, did not exist.

Subject to any restrictions contained in the Governing Documents of the relevant Global Vehicle or any side-letter or other terms negotiated with respect to such Global Vehicle, in general, (i) no Global Investor has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Global or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities may, and typically will, be offered to some and not other Global Investors, in the sole discretion of Global or its related persons, (iv) certain persons other than Global Investors (*e.g.*, Third Parties) may be offered co-investment opportunities, in the sole discretion of Global or its related persons, and (v) co-investors may purchase their interests in a portfolio company at the same time as the Global Vehicles or may purchase their interest from the applicable Global Vehicles after such Global Vehicles have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer).

A Global Vehicle may, from time to time, make co-investments with a Related Fund in transactions sourced by a Related Adviser, or vice versa. Limited partners in the Funds may also make co-investments with the Global Vehicles in portfolio companies, as may Global and its affiliates.

In addition, to the extent Global has discretion over a secondary transfer of interests in a Global Vehicle pursuant to such Global Vehicle's Governing Documents, Global may consider the factors listed above in exercising such discretion. Subject to any restrictions in the Governing Documents of the applicable Global Vehicle, Global or its related persons may be asked to identify a limited number of Global Investors or Third Parties to potentially acquire the interest being transferred.

In general, investments sourced by a Related Adviser that are appropriate for Related Funds advised by such Related Adviser will first be made available to such Related Funds, and will not necessarily be made available to any Global Vehicle. Global also reserves the right to make independent decisions about when a Fund and other Global Vehicles should purchase and sell investments, and the other Related Advisers reserve similar rights with respect to the Related Funds that they advise. As a result, a Global Vehicle may be purchasing an investment at a time when another Global Vehicle or a Related Fund is selling the same or a similar investment, or vice versa. A Global Vehicle may invest in opportunities that other Global Vehicles or Related

Funds have declined, and likewise, a Global Vehicle may decline to invest in opportunities in which other Global Vehicle or Related Funds have invested.

Global may also enter into arrangements with third-party advisers or consultants, who provide Global with deal sourcing services or other information on investment opportunities. Global will allocate such investment opportunities, and fees and expenses in connection with such investment opportunities, in the same way it otherwise allocates opportunities and fees and expenses.

Subject to any relevant restrictions or other limitations contained in the Governing Documents for the Global Vehicles (the terms of which are typically negotiated in advance with certain prospective investors in such Global Vehicles), Global will determine how to allocate investment opportunities and fees and expenses that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, Global may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Global Vehicles with differing fee, expense and compensation structures, Global may have an incentive to allocate investment opportunities to the Funds or other vehicles from which Global or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit. Other Global Vehicles or Related Funds may invest in assets eligible for purchase by a Global Vehicle. In addition, Global professionals will generally participate indirectly in investments made by Global Vehicles in which they invest, pro-rata, in accordance with their respective capital accounts. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Global Vehicle.

In addition, the appropriate allocation among the Global Vehicles or other accounts or persons of expenses and fees generated in the course of evaluating potential investments often may not be clear (for example, if two or more Global Vehicles considered making an investment that was not consummated). When Global and the other Related Advisers incur expenses that were related to Global Vehicles and/or Related Funds, they will typically allocate such expenses among all Global Vehicles and/or Related Funds eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Global (or its related persons or Related Advisers, as relevant) using its best judgment, considering such factors as it deems relevant, but in its sole discretion. The allocations of such expenses may not be proportional. The Related Funds may have different expense reimbursement terms, including with respect to management fee and similar offsets, which may result in the Global Vehicles bearing different levels of expenses with respect to the same investment.

Global will generally allocate fees and expenses to be split between Global, the TPG Management Companies, and the Global Vehicles and/or portfolio companies (including fees and expenses incurred in the offering of the Global Vehicle, management of the Global Vehicle, and investment opportunities), in each case in accordance with the Global Vehicle's Governing Documents. To the extent not addressed in such documents or agreements, such fees and expenses generally will be allocated by Global in its sole discretion, in each case using good

faith and its best judgment. Because certain expenses are paid for by a Global Vehicle and/or its portfolio companies or, if incurred by Global, are reimbursed by a Global Vehicle and/or its portfolio companies, Global may not necessarily seek out the lowest cost options when incurring (or causing a Global Vehicle or its portfolio companies to incur) such expenses.

There may be occasions when one Global Vehicle (the “Payor Fund”) is liable for or pays an expense common to, or on behalf of, multiple Global Vehicles (the “Allocated Funds”) (e.g., legal expenses for a transaction in which all such funds participate or under joint and several borrowing arrangements). On such occasions, each Allocated Fund will be obligated to reimburse the Payor Fund for its share of such expense or payment, without interest, promptly after the payment is made by the Payor Fund. While highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor Fund.

A Global Vehicle may sell down an interest in its portfolio investments to co-investors. Subject to the applicable Governing Documents, Global may charge (or may decide not to charge) a co-investor (such as an investor or Third Party) interest costs for the time period between the closing of the applicable Global Vehicle’s investment in a portfolio investment to the date of the transfer of interests in such portfolio investment to the applicable co-investor.

In resolving conflicts, Global may consider various factors, including the interests of the applicable Global Vehicles with respect to the immediate issue and/or with respect to their longer term courses of dealing. In the case of all conflicts involving the Global Vehicles or other accounts or persons, Global’s determination as to which factors are relevant, and the resolution of such conflicts, generally will be made in Global’s sole discretion.

Please see “Resolution of Conflicts” above for a description of the means by which Global and its related persons may seek to alleviate conflicts of interest among the Global Vehicles or other accounts or persons.

Conflicts Related to Purchases and Sales

In certain rare instances, Global may cause a Global Vehicle to purchase investments from another Global Vehicle or a Related Fund, or it may cause a Global Vehicle to sell investments to another Global Vehicle or a Related Fund. In connection with such transactions, Global, the Related Advisers and/or their professionals (i) may have significant investments or intentions to invest in the Global Vehicle or a Related Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the underlying investment). Global and the Related Advisers may receive management or other fees in connection with their management of the relevant Global Vehicles and/or Related Funds involved in such a transaction or in connection with the transaction itself, and may also be entitled to share in the investment profits of the relevant Global Vehicles and/or Related Funds. Global, the Related Advisers and their professionals may be presented with certain conflicts of interest in effecting these transactions. To address these conflicts of interest, Global will cause a Global Vehicle to engage in such transactions only if it determines that the terms and conditions of such transaction are substantially as advantageous to such Global Vehicle as the terms it would obtain in a comparable arm’s-length transaction with a

third party. For additional information regarding transactions between Global Vehicles, including a discussion of related conflicts of interest, please see Item 12, under “Cross Transactions.”

Conflicts may also arise when a Global Vehicle makes investments in conjunction with an investment being made by other Global Vehicles or Related Funds, or if it were to invest in the securities of a company in which another Global Vehicle or a Related Fund has already made an investment. A Global Vehicle may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Global Vehicles or Related Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the Global Vehicle and the other Global Vehicles or Related Funds with which it co-invests will exit such investment at the same time or on the same terms. Global and Related Advisers may express inconsistent views of a commonly held investment, or of market conditions more generally. For example, Global may choose to sell all or part of an investment in an entity while a Related Fund holds or increases its investment in such entity (or vice versa). In addition, investment opportunities may be appropriate for one or more Global Vehicles and Related Funds at the same, different or overlapping levels of a company’s capital structure. Conflicts may also arise in determining the terms of investments, especially when Global and/or other Related Advisers control the structure of a transaction and its capitalization. For example, if a Global Vehicle is investing in debt securities, it may have an interest in structuring debt securities that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than a Related Fund or another Global Vehicle, as an equity owner, may desire. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Global Vehicle or a portfolio company of another Global Vehicle. Investments by more than one client of Global in a portfolio company may also raise the risk of using assets of a client of Global to support positions taken by other clients of Global. While expected to be very infrequent, similar conflicts could arise to the extent that TPG BD holds securities of a portfolio company.

There can be no assurance that the return on a Global Vehicle’s investments will be the same as the returns obtained by other Global Vehicles or Related Funds participating in a given transaction. Employees and related persons of Global and the other Related Advisers have made or may make capital investments in or alongside certain Global Vehicles or Related Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments. Each of Global and the other Related Advisers generally will determine all matters relating to structuring transactions, including the amount and terms of securities and allocation of securities among a Global Vehicle and the involved Related Funds, using its best judgment considering all factors it deems relevant, but in its sole discretion. The allocation of securities as among Global Vehicles and as between a Fund and other Global Vehicles and Related Funds may be affected by a fund’s stage in its lifecycle. For example, a newly organized fund may seek to purchase a disproportionate amount of investments until it is substantially invested.

Global may from time to time in its sole discretion provide the Related Adviser of any such Related Funds certain information about a Global Vehicle’s investment portfolio, although it is

under no obligation to do so and may decide not to provide any such information at any time. As a condition of receiving such information, the Related Adviser generally must agree that it will not disclose such information to any other person.

From time to time, Global or a Related Adviser may come into possession of material, non-public information. In such cases, Global Vehicles and Related Funds could be restricted indefinitely in transactions involving a particular issuer. Consequently, the possession of material, non-public information by Related Advisers may limit the ability of a Global Vehicle to buy and sell investments. Global may in limited circumstances erect information barriers to restrict the transfer of confidential information between Related Advisors or business units, if deemed appropriate. Furthermore, Global and the Related Advisers may agree from time to time to “cross” any such information barriers, and Global may from time to time impose restrictions on transactions involving particular issuers in its sole discretion taking into account all factors it deems relevant in the collective interest of Global and the Related Advisers. In addition, Global may be restricted by contract from using confidential information that it, or a Related Adviser, has for the benefit of a Global Vehicle.

Conflicts Relating to Existing Investments

Further conflicts may arise once a Global Vehicle has made an investment in a company in which another Global Vehicle or a Related Fund has also invested. For example, questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Global Vehicles or Related Funds may or may not provide such additional capital, and if provided, each Global Vehicle and each Related Fund generally will supply such additional capital in such amounts, if any, as determined by Global and the relevant Related Advisers in their sole discretion. Global and each other Related Adviser will resolve all such conflicts using their best judgment but in their sole discretion, subject in certain cases to approval by the advisory committees of the participating investment funds.

Investments to finance follow-on acquisitions are a regular part of the business of the Global Vehicles and certain Related Funds. Follow-on investments may present conflicts of interest, including determination of the equity component and other terms of the new financing. In addition, a Global Vehicle may participate in releveraging and recapitalization transactions involving portfolio companies in which other Global Vehicles or Related Funds have invested or will invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. Global and each other Related Adviser will resolve all such conflicts using their best judgment but in their sole discretion, subject in certain cases to approval by the respective advisory committees of the participating investment funds.

Global Vehicles and/or the Related Funds may own a significant or controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by them, any relevant contractual arrangements between such portfolio company and the participating funds, and other relevant factual circumstances, could result in an extension to one year of the ninety-day bankruptcy preference period with respect to payments made to a Global Vehicle and/or subordination of its claims to other creditors and/or recharacterization of debt claims into equity claims. In addition, due to equity ownership, representation on the boards of directors and/or contractual rights, as applicable, the Global Vehicles and the Related Funds may be deemed to control, participate in the management of or influence the conduct of portfolio companies. The effect of these relationships will vary from jurisdiction to jurisdiction. These factors could expose the assets of a Global Vehicle to claims by a portfolio company, its security holders, its creditors or governmental agencies.

If a Global Vehicle purchases in the secondary market at a discount debt securities of a company in which a Global Vehicle has, for example, a substantial equity interest, (a) a court might require a Global Vehicle to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Global Vehicle might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

A portion of a Global Vehicle's investments may consist of securities that are subject to restrictions on resale by a Global Vehicle because they were acquired in a "private placement" transaction or because a Global Vehicle is deemed to be an affiliate of the issuer of such securities. Generally, a Global Vehicle will be able to sell such securities only pursuant to a registration statement under the Securities Act or an applicable exemption. When restricted securities are sold to the public, a Global Vehicle may be deemed an "underwriter," or possibly a controlling person, with respect thereto for the purposes of the Securities Act and be subject to liability as such under the Securities Act.

A Global Vehicle may directly or indirectly control or be under common control with issuers of securities held by a Global Vehicle that were issued under an indenture qualified under the Trust Indenture Act of 1939, especially when another Global Vehicle or a Related Fund is deemed to control the issuer of the securities. In such cases, the securities held by a Global Vehicle would be required by the Trust Indenture Act to be disregarded for the purposes of determining whether the holders of the required principal amount of such issuer's securities have concurred in certain directions or consents.

Management of the Global Vehicles

Global manages a number of Global Vehicles that may have investment objectives similar to each other. Global may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Global Vehicles. Allocation of available investment opportunities between the Global Vehicles and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment*

Opportunities” above. In addition, it is expected that employees of Global responsible for managing a particular Global Vehicle will have responsibilities with respect to other Global Vehicles managed by Global, including Global Vehicles that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The Global Vehicles may enter into borrowing arrangements that require the Global Vehicles to be jointly and severally liable for the obligations. If one Global Vehicle or Related Fund defaults on such arrangement, the Global Vehicles may be held responsible for the defaulted amounts. The Global Vehicles will only enter into such joint and several borrowing arrangement when Global determines it is in the best interests of the Global Vehicles.

Valuation of Assets

Global is responsible for the valuation of each Global Vehicle's assets, in accordance with such Global Vehicle's Governing Documents and valuation policies. There is no actively traded market for most of the securities owned by the Global Vehicles. Securities and all other assets for which no market prices are available will be valued at such value as Global may reasonably determine. Valuations are generally subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of Global. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Global Vehicle's assets.

It is Global's policy to determine the “fair value” of the Global Vehicles in accordance with U.S. Generally Accepted Accounting Principles, particularly Accounting Standard Codification 820, Fair Value Measurements. When estimating fair value, Global will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. With respect to the Global Vehicles, the exercise of such discretion by Global may give rise to conflicts of interest, as the performance allocation in certain Global Vehicles is calculated based on these valuations and such valuations affect performance calculations.

Fee Structure

Because there is a fixed investment period after which capital from investors in certain Global Vehicles may only be drawn down in limited circumstances and because advisory fees are, at certain times during the life of those Global Vehicles, based upon capital invested by the Global Vehicles, this fee structure may create an incentive to deploy capital when Global may not otherwise have done so.

Conflicts Relating to the General Partners, Global Advisees, Global and Certain Related Advisers

Global generally may, in its discretion, contract with any related person of Global (including but not limited to a portfolio company of a Global Vehicle or a family member of Global Personnel) to perform services (including but not limited to brokerage services) for Global in connection with its provision of services to the Global Advisees. When engaging a related person to provide such services, Global may have a financial, personal or other business incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Global generally may, in its discretion, recommend to a Global Advisee or to a portfolio company thereof that it contract for services or, in providing services to a Global Advisee, may directly engage with (i) a related person of Global (including but not limited to a portfolio company of a Global Vehicle) or (ii) an entity or person with which or whom Global or a member of its personnel has a relationship or from which or whom Global or a member of its personnel otherwise derives financial, personal or other benefit. When making such a recommendation, Global or a member of its personnel may, because of their financial, personal or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

It is generally expected that most or all of the officers and employees responsible for advising a Global Advisee will have responsibilities with respect to other funds or accounts advised by Global and/or Related Advisers, including funds and accounts that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The general partners of many Global Vehicles are entitled to performance allocations under the terms of the limited partnership agreements of such Global Vehicles. Such general partners are affiliates of Global. The existence of the general partners' performance allocations may create an incentive for the general partners to cause such Global Vehicles to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

The Global Vehicles may have tax-exempt, taxable, foreign and other investors, whereas most members of the general partners of the Global Vehicles are taxable at individual U.S. rates. Potential conflicts exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

Related Services

As described in Item 5 above, the TPG Management Companies may perform Related Services for, and will receive fees or reimbursements from, actual or prospective portfolio companies or other investment vehicles of the Global Vehicles. Such fees will be in addition to any advisory fees or carried interest paid by the Global Vehicles to Global. This creates a conflict of interest between the TPG Management Companies and the Global Vehicles and their investors because the amounts of these fees and reimbursements may be substantial and the Global Vehicles and their investors generally do not have an interest in these fees and reimbursements. The TPG Management Companies generally determine the amount of these fees for Related Services and reimbursements in their own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements may not (except in connection with the reductions described below) be disclosed to investors in the Global Vehicles. There are also certain circumstances (such as the occurrence of an initial public offering of strategic exit) which may accelerate the payment of a fee.

The TPG Management Companies will in some circumstances be obligated to reduce the amount of advisory fees paid by the applicable Global Vehicle by an amount equal to all or a portion of such fees for Related Services. The specific amount and nature of this reduction varies among Global Vehicles and is generally set forth in the Governing Documents of the applicable Global Vehicle. Entities other than Global Vehicles that participate in investments alongside the Global Vehicles (such as entities through which Global and certain employees and affiliates of Global invest alongside the Global Vehicles) may have a right to share in such fees, and advisory fees will generally not be reduced in connection with the receipt of such entities' share of such fees. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio company. Furthermore, a Global Vehicle will only benefit with respect to its allocable portion of any such fee. As some Global Vehicles do not pay advisory fees (*e.g.*, certain Co-Investment Vehicles), any such reduction will not benefit such Global Vehicles.

TPG Management Companies will provide the Global Vehicles or their limited partners with information regarding the amounts of those fees if and to the extent required by the relevant Governing Documents. In addition, portfolio companies sometimes disclose these fees in materials such as debt offering memoranda. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio investment. Therefore, a conflict of interest may exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio investment.

Certain of Global's professionals, in connection with the monitoring of a portfolio company investment, may serve on the board of directors of such portfolio company. In those circumstances, it is customary for such professionals to receive director's fees, stock options and/or other equity compensation in connection with such service. While such compensation may initially be received by the applicable professionals, procedures are in place to transfer such

compensation, after expenses, to the applicable Global Vehicle such that the compensation paid to professionals for this service is for the benefit of the applicable Global Vehicle only.

Providers of Operations Support to Portfolio Companies

Global and the portfolio companies will from time to time retain other companies and individuals (“Operations Support Providers”), which may be affiliates of Global or employees of such affiliates (such as members of the TPG Operating Group) or portfolio companies of other Global Vehicles or Related Funds, to provide operational support, regulatory or legal advice, specialized operations and consulting services and similar or related services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies (“Operations Support Services”). These services may include support to portfolio companies regarding, among other things, the company’s management (including serving in management positions or participating in determining corporate strategy), the company’s supply chain, revenue and margin management (such as determining sales/marketing strategy, including (if applicable) retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), property management, development and other real estate matters and similar operational matters.

As noted in Item 5, fees and expenses associated with Operations Support Services (“Operations Expenses”) may be paid and/or reimbursed by portfolio companies and/or the Global Vehicle. Operations Expenses (including Operations Expenses incurred in connection with an affiliated Operations Support Provider) may be determined at the discretion of Global taking into account the particular Operations Support Services, may include a profits interest, equity interest or other incentive-based compensation to the Operations Support Provider, and may otherwise be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. For employees of Global and its affiliates (collectively, “TPG”) that are Operations Support Providers, fees may also be determined by reference to the annual compensation paid by TPG to the employee providing the Operations Support Services, including an estimate of TPG’s overhead and other fixed costs allocable to that employee, and the amount of time the employee spent providing Operations Support Services. The determination of whether a service is an Operations Support Service will be made by Global in its sole discretion, but will generally be based on whether third parties often provide such services to companies. Operations Expenses may also be incurred in respect of portfolio companies prior to the closing of the investment. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Fund and one or more Funds, such Operations Expenses will be allocated among the Fund and the relevant Funds as determined by Global in a fair and equitable manner. To the extent any such Operations Expenses are payable to any affiliated Operations Support Provider by the Fund or a portfolio company, such Operations Expenses will not reduce any fees otherwise payable to Global or its

affiliates. Global's determination as to whether a service is an Operations Support Service, the amount and categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Fund and its investors.

Global and the portfolio companies may have an incentive to retain affiliated Operations Support Providers even if retaining unaffiliated Operations Support Providers would be as advantageous or more advantageous to the Global Vehicle or such portfolio companies. Additionally, it is possible that Operations Support Providers retained by Global and the portfolio companies will be investors in, provide goods or services to, or have other relationships with one or more Global Vehicles or their affiliates. This may influence Global and the portfolio companies in deciding whether to select such Operations Support Providers. Although Global intends that any affiliated Operations Support Providers will be compensated at competitive rates, such compensation will not be determined through arm's-length negotiation and the relevant general partner and the portfolio companies will not guarantee the performance of any affiliated Operations Support Providers.

Side Letters and Relationships with Investors

As discussed in Item 4, Global or its affiliates may enter into Side Letters with one or more Global Investors. These Side Letters may entitle a Global Investor to make an investment in the Fund on terms other than those described herein, in the Fund's partnership agreement, and in the applicable subscription agreement. Furthermore, a Global Vehicle's general partner may permit affiliates and certain business associates and other "friends and family" of Global to invest directly or indirectly in the Global Vehicle on terms that may be more favorable than those offered to the other investors, including with respect to the payment of management fees and carried interest. If Global or its affiliates enter into a Side Letter entitling a Global Investor to opt out of a particular investment or withdraw from a Global Vehicle, any election to opt out or withdraw by such investor may increase any other investor's pro rata interest in that particular investment (in the case of an opt-out) or all investments (in the case of a withdrawal).

The terms negotiated with individual Global Investors may vary for a number of reasons, including not only the Global Investor's regulatory and/or tax status or other requirements or policies applicable to it, but also the amount of the investor's Commitment, the investor's overall commercial relationship with Global and its affiliates, and the nature of a particular investment. Though a Global Vehicle's Governing Documents may include a "most favored nation" ("MFN") clause that provides that investors will be informed of and have the right to select certain Side Letter rights provided to other investors, such clauses are typically subject to a number of significant conditions and limitations. In addition, other investors may have relationships with Global that encompass a number of different funds and products and that rights and privileges provided to such investors with respect to those other funds and products in consideration of the overall relationship with Global will not be subject to the MFN right.

Business with Portfolio Companies and Investors

Given the collaborative nature of Global's business and the portfolio companies in which some Global Vehicles have invested, there are often situations in which Global is in the position of recommending portfolio company services to other portfolio companies. Global may have a conflict of interest in making such recommendations, in that Global has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Global Vehicles, while the products or services recommended may not be necessarily be the best available to the portfolio companies held by the Global Vehicles or the most favorably priced.

Global may, in its discretion, have, and may, in its discretion, cause the Global Vehicles and/or certain of their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of Global or a Related Adviser. The Global Vehicles and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between Global and the Global Vehicles (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that Global may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Global has service providers, including for example, investment bankers and outside legal counsel, who are investors in Global Vehicles and/or who provide services to businesses that are competitors of Global. Global may have a conflict of interest with the Global Vehicle in recommending the retention or continuation of a service provider if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Global Vehicles or will provide Global information about Global's competitors. There is a possibility that Global, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Portfolio companies controlled by a Global Vehicle may provide services to certain Global Vehicle investors. Global may have an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Global Vehicle.

Global may engage in business opportunities arising from a Global Vehicle's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company).

Certain members of a Fund's advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, limited partners of a Global Vehicle or one or more other Global Vehicles or Related Funds. The general partner of a Global Vehicle or a Related Fund may from time to time utilize the services of limited partners and their affiliates on an arm's length basis, as it deems appropriate.

Other Potential Conflicts

Global Vehicles and the Related Funds will often engage common legal counsel and other advisers to represent all of the Global Vehicles and/or the Related Funds in a particular transaction, including a transaction in which a Global Vehicle, other Global Vehicles or Related Funds have conflicting interests because they are investing in different securities of a single company. In the event of a significant dispute or divergence of interest between a Global Vehicle, other Global Vehicles or Related Funds, such as in a work-out or other distressed situation, separate representation may become desirable, in which case Global and the other Related Advisers may hire separate counsel in their sole discretion, and in litigation and other circumstances, separate representation may be required. Law firms engaged to represent Global Vehicles and Related Funds, partners in those firms or entities affiliated with those firms may be investors in such Global Vehicle, other Global Vehicles or Related Funds, and may also represent one or more portfolio companies or limited partners of such Global Vehicle, other Global Vehicles and/or Related Funds. Additionally, Global and the Global Vehicles may engage other common service providers. In such circumstances, there may be a conflict of interest between Global and the Global Vehicles in determining whether to engage such service providers, including the possibility that Global may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Global Vehicles.

Global and its affiliates are a broad-based alternative investment platform that may engage without restriction in strategic transactions, including the acquisition of, or combination with, other investment platforms. In the event that (1) TPG, any affiliate or any other party engages in any such strategic or other transactions or otherwise engages in any actions or any other event occurs that results in an assignment (including for purposes of the Advisers Act) of the Advisory Services Agreement or of any other agreement, including because of any change in the control group of TPG and (2) Global or any other entity as a result thereof must seek the consent of the Global Vehicle under applicable law, depending on the Global Vehicle, the general partner of the Global Vehicle may not be required to seek the consent of the limited partners of such Global Vehicle but will be authorized to act for and on behalf of the Global Vehicle in determining whether or not to provide any required consent.

Since the general partner of the Global Vehicle is under common control with Global and each of the general partner of the Global Vehicle and Global may have a direct or indirect financial interest in the consummation of any such transaction that is different from the interests of the Global Vehicle, the general partner of the Global Vehicle will have a conflict of interest in determining whether to provide such consent. The occurrence of such a transaction, action or event, and the provision of such consent by the general partner of the Global Vehicle on behalf of the Global Vehicle, will not provide the limited partners of such Global Vehicle with the right to remove the general partner of the Global Vehicle or cause the Global Vehicle to terminate the Advisory Services Agreement; transfer their interests or otherwise exit the Global Vehicle; or exercise any other rights or remedies (other than those that may be explicitly provided for in the Global Vehicle's Governing Documents).

A Global Vehicle and one or more other Global Vehicles or Related Funds may hold "plan assets" subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). With

respect to those plan assets, if any, Global and certain related entities may be classified as “fiduciaries” under ERISA. ERISA imposes certain general and specific responsibilities and restrictions on fiduciaries with respect to plan assets. As a result, a Global Vehicle may be prohibited from entering into certain transactions if the investment would violate ERISA with respect to such Global Vehicle or such other Global Vehicles or Related Funds, or may be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to such Global Vehicle, such other Global Vehicles or such Related Funds.

From time to time Global may, in its discretion, enter into transactions with investors in one or more Global Vehicles to dispose of all or a portion of certain investments held by one or more Global Vehicles. In exercising its discretion to select the purchaser(s) of such investments, Global may consider some or all of the factors listed above under “*Allocation of Investment Opportunities, Fees and Expenses*”. The sales price for such transactions will be mutually agreed to by Global and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by Global. Although Global is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Global Vehicle(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Global Vehicle(s). Any such transactions will comply with the Governing Documents of the applicable Global Vehicle(s).

The general partner of a Global Vehicle may from time to time hire asset managers or servicers (“Servicers”), which may be affiliates of Global or the general partner (or entities in which affiliates of Global or the general partner have an interest or a right to acquire an interest), to provide asset management, sourcing, due diligence, underwriting, asset servicing, operational or other services with respect to portfolio investments. The fees to be paid to the Servicer may be determined at the discretion of the general partner taking into account the assets to be governed by such agreement, may include a profits interest or other incentive-based compensation to the Servicer, and may otherwise be determined according to one or more methods, including a percentage of the value of the assets being serviced or the invested capital exposed to such assets, and/or a percentage of cash flows from such assets. To the extent any such fees are payable to an affiliated Servicer, such fees will not reduce any fees otherwise payable to Global or its affiliates and, other than fees payable to disclosed in a Global Vehicle’s Governing Documents, will require approval of the Global Vehicle’s advisory committee. Affiliates of Global or the general partner will benefit from these arrangements.

Global Personnel may have an interest in a potential portfolio company of a Global Vehicle, or in an unaffiliated vehicle that participates with a Global Vehicle in a co-sponsored deal. Such interest may create a conflict of interest with respect to such person as between the person’s interest and the interest of the Global Vehicle. Global’s investment review process involves a substantial number of persons, which Global believes mitigates the ability of any person to control an investment decision in such case. Additionally, Global’s Code of Ethics would require Global Personnel to disclose such ownership interests periodically.

Certain Global Personnel may make, directly or indirectly, co-investments in transactions in which a Global Vehicle is also making an investment. Any such co-investment would be subject to pre-clearance in accordance with Global's Code of Ethics.

Global may serve on committees in proceedings under Chapter 11 of the Bankruptcy Code or prior to such filings, and this involvement, for which Global may be compensated, may limit or preclude the flexibility that the Global Vehicles may otherwise have to make investments.

The Governing Documents of certain Global Vehicles generally permit the general partner of each such Global Vehicle to cause such Global Vehicle to distribute such general partner's share of securities resulting from an investment disposition by such Global Vehicle to such general partner or its affiliates in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the general partner and the limited partners of the applicable Global Vehicle, because the general partner may have an incentive to cause the Global Vehicle to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the general partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners). Furthermore, the general partner of a Global Vehicle, or its affiliates, may receive distributions in kind from an investment disposition. In the event the general partner or its affiliates receive such a distribution, the general partner may act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as the general partner shall determine. The ability of the general partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the general partner or affiliate, as an adviser to the Global Vehicle, and the Global Vehicle.

The Governing Documents of certain Global Vehicles generally permit each such Global Vehicle's general partner to withhold information from certain limited partners or investors in such Global Vehicle in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The general partner may elect to withhold certain information to such limited partners for reasons relating to the general partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading "*Resolution of Conflicts*" for a description of the means by which Global and its related persons may seek to alleviate conflicts of interest among the Global Vehicles or other persons.

ITEM 12 – BROKERAGE PRACTICES

For the purposes of this Item 12, "Global" shall refer to "Global, together with the applicable TPG Management Company," except where context otherwise requires.

Investment or Brokerage Discretion

For each of the Global Vehicles, Global has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. Global will seek the best price and execution available except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services. “Best execution” means obtaining for a Global Vehicle the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), subject to the circumstances of the transaction and the quality and reliability of the executing broker or dealer.

In selecting brokers or dealers, Global generally will consider various factors, including: the reputation, experience and financial stability of the broker-dealer; the ability to maintain Global’s anonymity; the ability to provide competitive pricing; the size and timing of the transaction; the ability and willingness to commit capital and provide prompt and accurate execution and settlement; whether the broker-dealer makes a market in a security and/or finds sources of liquidity; the nature of the market for the security and the difficulty of execution; the broker-dealer’s trading expertise, including its ability to minimize total trading costs and to trade without unduly impacting the market; the belief that the broker-dealer charges a fair and reasonable fee for each trade, and that the Global Vehicles have been treated fairly and honestly in prior trades; and the quality of execution, quality of the broker-dealer relationship, quality of service rendered by the broker-dealer in prior transactions, and quality of any proprietary research and investment ideas. TPG BD may also, in some cases, act as a broker in transactions on behalf of Global Vehicles. However, Global uses TPG BD as broker-dealer in a transaction only if such use is consistent with Global’s fiduciary duties.

Global has no formal arrangements with specific brokers or dealers to receive research or other services beyond transaction execution in exchange for brokerage commissions from client transactions (so-called “soft dollar” arrangements). However, brokers or dealers may be selected who provide research reports and services to Global, including: proprietary broker-dealer company research and analyses; oral and written reports, statistics and advice about the economy, industries and individual securities’ or company investment opportunities; and reports on underwriting activity, bank rates, loan defaults, loan new issuance volumes and other capital markets statistics, both of which may be attractive for one or more Global Vehicles or to Global; and opportunities to confer with company management. In accordance with Section 28(e) of the Securities Exchange Act of 1934, broker-dealers providing such services may be paid commissions on transactions for Global Vehicles in excess of those that other broker-dealers not providing such services might charge so long as Global determines in good faith the amount of commissions is reasonable in relation to the value of the brokerage and research services provided, taking into account all of the accounts over which Global exercises investment discretion. Recognizing the value of the brokerage and research services provided, Global may allow a brokerage commission or negotiated term in excess of that which another broker might have charged for effecting the same transaction.

Global will periodically evaluate the overall reasonableness of the brokerage commissions and negotiated terms paid to or made with broker-dealers with respect to client transactions by, among other things, seeking to compare such commissions and terms with the commission rates and negotiated terms being charged by and entered into with other comparable broker-dealers.

Global will also periodically review the past performance of the broker-dealers with whom it has placed orders to execute Global Vehicle transactions in light of the factors discussed above.

Please refer to the section above entitled *Conflicts Relating to the General Partners, Global Advisees, Global and Certain Related Advisers* for a discussion of potential conflicts of interests that may result in the choice of Global service providers, including broker-dealers.

Cross Transactions

Generally, Global does not effect cross transactions between Global Vehicles (a “cross-fund transaction”); however, they may be effected in rare instances. Such cross-fund transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Global Vehicle may not receive the best price otherwise possible, or Global might have an incentive to improve the performance of one Global Vehicle by selling underperforming assets to another Global Vehicle in order, for example, to earn fees. Additionally, in connection with such transactions, Global (i) may have significant investments, or intentions to invest, in the Global Vehicle that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). Global may receive management or other fees in connection with their management of the relevant Global Vehicles involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Global Vehicles.

In the event that Global does effect cross-fund transactions between Global Vehicles, Global generally shall seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements (including obtaining any requisite approvals thereunder) and Global’s policies and procedures. In particular, Global generally shall seek to ensure that the transaction is:

- in Global’s judgment, in the best interests of each Global Vehicle involved in the transaction; and
- in compliance with any investment guidelines or restrictions for these Global Vehicles;

In effecting these transactions, Global shall ensure that the purchase or sale is effected at a price that is comparable to what price could be obtained through an arm’s-length transaction with a third party and that is otherwise fair to both parties. Documentation shall be maintained by Global to memorialize the basis for determining fairness in pricing. Neither Global nor any of its affiliates may receive any compensation for effecting a cross-fund transaction.

Trade Aggregation

In pursuing its investment objectives, Global may cause Global Vehicles to purchase and sell publicly-traded securities through brokers. If Global has determined to sell or purchase a publicly-traded security at the same time for more than one Global Vehicle, Global may “bunch” buy or sell orders for two or more Global Vehicles into a single large order, and place the bunched order with a single broker or dealer for execution. In many instances, such “bunching” of orders can result in lower commissions, a more favorable net price or more efficient execution

than if each Global Vehicle's order were placed separately. There may, however, be instances in which order bunching results in a less favorable transaction than a particular Global Vehicle would have obtained by trading separately. Similarly, when orders are not bunched, there may be circumstances when purchases or sales of portfolio securities for one or more Global Vehicles will have an adverse effect on other Global Vehicles. Global is not obligated to place all transactions on a "bunched" basis. Global generally will seek to avoid putting any Global Vehicle at an advantage or disadvantage compared to other Global Vehicles that are buying or selling the same security. Each Global Vehicle participating in a "bunched" order generally will participate at the same price as all other participants, and all transaction costs on the order will be allocated pro rata to all participating Global Vehicles.

ITEM 13 – REVIEW OF ACCOUNTS

For the purposes of this Item 13, "Global" shall refer to "Global, together with the applicable TPG Management Company," except where context otherwise requires.

Review of Accounts

Global closely monitors the investment portfolios of the Global Vehicles. Members of Global and/or other Global professionals continually review and analyze existing investment positions to attempt to identify issues early on and to take action when necessary. Members of Global and/or other Global professionals meet periodically with members of Global's investment review committee to update them on such portfolio positions and related matters. The investment portfolios of the Global Vehicles are generally private, illiquid and long-term in nature, and accordingly Global's review of them is not directed toward a short-term decision to dispose of securities.

Reporting

Global generally does not provide formal written reports to any Global Vehicle unless specifically requested by the general partner of the vehicle. Global generally reports to investors in a Global Vehicle in accordance with the Governing Documents of the applicable Global Vehicle.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

For information regarding any economic benefits provided to Global by non-clients, including a description of related conflicts of interest, please see "Other Financial Industry Activities and Affiliations" above. In addition, as discussed in Item 11, Global and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies held by Global Vehicles and/or the customers or suppliers of such portfolio companies.

ITEM 15 – CUSTODY

Not applicable.

ITEM 16 – INVESTMENT DISCRETION

Pursuant to the Advisory Services Agreement of each Fund and certain Co-Investment Vehicles, and subject to the direction and control of the general partner of such Fund or Co-Investment Vehicle, Global and the applicable TPG Management Company generally perform the day-to-day investment operations of each such Fund and Co-Investment Vehicle in accordance with the terms and conditions of the Advisory Services Agreement and partnership agreement of such Fund or Co-Investment Vehicle.

Some Co-Investment Vehicles are established to invest alongside one or more Funds in one or more particular investment opportunities. Because a Co-Investment Vehicle generally may be contractually required, as a condition of its investment, to exit its investment in the particular investment opportunity at the same time and on the same terms as the applicable Fund that also is invested in the particular investment opportunity, Global may not have any discretion to invest the assets of such Co-Investment Vehicles independent of such contractual requirements.

ITEM 17 – VOTING CLIENT SECURITIES

For the purposes of this Item 17, “Global” shall refer to “Global, together with the applicable TPG Management Company,” except where context otherwise requires.

Global has been delegated the authority to vote proxies (which, for these purposes, includes other corporate actions, such as consent requests) regarding securities held by the Global Vehicles. Global has adopted and implemented policies and procedures reasonably designed to ensure that it votes proxies in the best interests of the Global Vehicles. In exercising its voting discretion, Global seeks to avoid any direct or indirect conflict of interest between the Global Vehicles and the voting decision.

It is the general policy of Global to vote or to give consent on all matters presented to security holders in any proxy or similar request, and its policies and procedures have been designed with that in mind. However, Global reserves the right to abstain on any particular vote or otherwise to withhold its vote or consent on any matter if, in the judgment of certain professionals within Global, the costs associated with voting such proxy outweigh the benefits to the applicable Global Vehicles or if the circumstances make such an abstention or withholding otherwise advisable and in the best interest of the applicable Global Vehicles.

Global Vehicles generally cannot direct Global’s vote.

Global’s Chief Compliance Officer or his delegate (a “Proxy Reviewer”) is responsible for monitoring proxy decisions for any actual or perceived conflicts of interests. All proxy voting decisions require a mandatory conflicts of interest review by a Proxy Reviewer, which includes consideration of whether Global or any investment professional or other person recommending how to vote the proxy has an interest in how the proxy is voted that may present a conflict of interest. When the Proxy Reviewer deems appropriate in his sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Proxy Reviewer has the power to retain independent fiduciaries, consultants or professionals to assist with proxy voting

decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

When voting proxies on behalf of Global Vehicles, Global votes in a manner that it believes is consistent with the best interest of the Global Vehicles, which may include Global agreeing with a third party to vote on a matter in a particular matter if Global deems such agreement to be in the best interest of the Global Vehicles. Global does not permit proxy voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

In accordance with the requirements of the Advisers Act, Global maintains records of its proxy voting for at least five years and, at a Global Advisee's request, will furnish proxy voting information, free of charge, to the requesting Global Advisee within a reasonable period of time (usually within ten business days). Global Advisees may request proxy voting information by contacting the Chief Compliance Officer at (817) 871-4000 or by writing to TPG Global Advisors, LLC, Attn: Chief Compliance Officer, at 301 Commerce St., Suite 3300, Fort Worth, Texas 76102.

ITEM 18 – FINANCIAL INFORMATION

Not applicable.