

TPG REAL ESTATE ADVISORS, LLC

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Part 2A of Form ADV: Firm Brochure
March 31, 2015

This brochure provides information about the qualifications and business practices of TPG Real Estate 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 Real Estate 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, 2015, serves as an update to our brochure dated December 12, 2014. 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 investments, risk factors and conflicts of interest.

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ITEM 4 – ADVISORY BUSINESS

For purposes of this brochure, “we,” “us” and “our” refer to TPG Real Estate Advisors, LLC, together (where the context permits) with our subsidiaries that provide investment advisory services, including TPG Real Estate II Management, LLC (“TREP II”) and TPG RE Finance Trust Management, L.P. (“RE Finance Trust Management”), which are both relying advisers.

Advisory Clients. As set forth below, our only advisory clients are the Funds and certain fee-paying Co-Investment Vehicles (each as defined below), which we refer to collectively as the “TPGRE Vehicles.” In particular,

- We provide investment advisory services to the following, which we refer to collectively as the “Funds”:
 - pooled investment vehicles 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
 - certain individual investors through separately managed account arrangements.

The Funds include, without limitation, private funds, real estate investment trusts (“REITs”) and collateralized loan obligation issuers (“CLOs”).

We also serve as the sponsor of entities that act as feeder vehicles into certain Funds or Funds into which other Funds invest. Additionally, in order to meet tax, regulatory or other requirements, certain investors invest in substantially the same portfolio as the applicable Funds through specially formed investment vehicles, which we also advise.

- From time to time, we also form capital around a particular strategy or theme, or establish, on a transaction-by-transaction basis, investment vehicles, accounts or other arrangements through which certain persons generally invest alongside one or more Funds (each, a “Co-Investment Vehicle”). When a Co-Investment Vehicle is established for a particular transaction, it generally will invest in the transaction on the same terms as the applicable Fund that also is invested in such transaction.

Organization. We were formed as a Delaware limited liability company in 2013 and are part of a private investment firm originally founded in 1992 (which we refer to, together with its affiliates including us, as “TPG”). Our ultimate principal owners are, indirectly, David Bonderman and James Coulter.

Nature of Advisory Services. As an investment adviser, we identify investment opportunities and participate in the acquisition, management, monitoring and disposition of investments for each TPGRE Vehicle. Our investment advisory services include private equity and debt investments in a range of real estate-related strategies, including

- private platform;
- single-asset development;

- corporate control or non-control;
- public company investments, including
 - private investment in public equities (“PIPEs”);
 - corporate “carve-outs”; and
 - public-to-private transactions; and
- mortgage and/or other real estate loan origination

relating to, among other things,

- office;
- industrial;
- retail;
- condominium;
- apartment;
- hotel;
- single-family residential;
- self-storage;
- senior living properties; and
- mixed-use

in the United States and certain non-U.S. jurisdictions. Such investments take the form of various instruments, including

- bonds, equities and other securities (including asset-backed and other structured securities);
- loans (including bank loans, mortgage loans, mezzanine loans);
- receivables;
- assets;
- claims;

- derivatives (including those that derive their value from the foregoing);
- interests in the foregoing instruments

all from a broad range of issuers and counterparties, and in each case to the extent consistent with the applicable TPGRE Vehicle's investment objectives and strategies (please see *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*, below).

Advisory Services and Related Agreements. We generally provide investment advisory services to each TPGRE Vehicle pursuant to a separate advisory services agreement, which we refer to as an "Advisory Services Agreement." Each TPGRE Vehicle's Advisory Services Agreement sets forth the terms of the investment advisory services we provide to the TPGRE Vehicle, including any specific investment guidelines or restrictions. Investment guidelines for each TPGRE Vehicle, if any, are generally established in its organizational or offering documents, the Advisory Services Agreement and/or side letter agreements negotiated with its investors. We provide investment advice directly to the TPGRE Vehicles, and not individually to the investors in the TPGRE Vehicles.

As described more fully in Item 11, we and our related entities routinely enter into side letter agreements with certain investors in the TPGRE Vehicles (when permitted under our compliance and tax undertakings) providing such investors with customized terms, which often results in preferential treatment.

Amount of Client Assets. As of January 1, 2015, we managed on a discretionary basis a total of approximately \$3,135,800,000 of client assets.

ITEM 5 – FEES AND COMPENSATION

Fees Generally. We generally charge asset-based investment management fees and (for certain TPGRE Vehicles) incentive fees from the applicable TPGRE Vehicle pursuant to each Advisory Services Agreement. Management fees paid by a TPGRE Vehicle are indirectly borne by its investors. Such TPGRE Vehicles' management fees are deducted from TPGRE Vehicle assets and generally payable quarterly in advance or in arrears. The amount of any TPGRE Vehicle's investment management fee is prorated for periods of less than a full billing cycle at the beginning or end of our provision of investment advisory services, and any prepaid amount in excess of the prorated fee will be returned upon termination of our investment advisory services. The collateral management fees for the CLOs are payable only to the extent that funds are available in accordance with the priority of payments described in each such CLO's indenture. In addition, upon termination of the Advisory Services Agreement for certain TPGRE Vehicles, an additional payment will be made to us. Please see Item 6 for more information on incentive compensation.

We establish and negotiate with investors in the applicable TPGRE Vehicle the precise amount of, and the manner and calculation of, the management fees. Such TPGRE Vehicle's Advisory Services Agreement, organizational documents, offering documents and/or other documentation received by each investor prior to its investment in such TPGRE Vehicle, which we refer to collectively as, together with any applicable side letters, the "Governing Documents," sets forth

the precise amount of, and the manner and calculation of, the management fees. Please see Item 11 for a description of the side letter agreements we and our related advisors enter into with certain investors in TPGRE Vehicles that provide such investors with customized terms, including with respect to advisory fees

Expenses. In addition to the management fees described above,

- certain Funds reimburse us or our affiliates for certain organizational expenses that are incurred in connection with the formation of the Funds and the offering of interests in them to potential investors, including
 - fees and expenses of counsel, including for preparing offering materials and preparing and negotiating the Governing Documents;
 - travel expenses incurred in connection with meetings with prospective investors regarding possible investments in the Funds; and
 - other expenses related to a Fund's formation;
- each Fund also generally bears all of the expenses relating to its activities, operations, meetings, termination and eventual liquidation (other than expenses resulting from the fraud, gross negligence, willful misconduct and/or reckless disregard of duties of us or its general partner) including, without limitation and to the extent provided in the particular Fund's Governing Documents,
 - fees, costs and other expenses directly related to the discovery, investigation, negotiation, structuring, making, holding, developing, operating, managing, monitoring and disposing of portfolio investments (including any such costs and expenses relating to potential investments that are not consummated), other than when the counterparties in certain portfolio investments agree to bear certain of these expenses;
 - travel expenses;
 - fees and expenses of
 - custodians;
 - advisors;
 - consultants (including, but not limited to, consulting fees incurred by the applicable Fund for the benefit of its portfolio investments);
 - outside counsel;
 - accountants; and
 - auditors;

- expenses relating to advisory committee or board of directors meetings and activities;
- the cost of insurance, including general partner liability/director and officer insurance and crime/fidelity insurance;
- fees and expenses of servicers engaged to provide asset management, due diligence and underwriting services, asset and loan servicing and operational or other services with respect to portfolio investments;
- sales, leasing and brokerage commissions and any other investment costs actually incurred in connection with actual portfolio investments;
- clearing and settlement charges;
- principal, interest, fees and other expenses in connection with or arising out of all indebtedness and borrowings made by the Fund, including the arrangement thereof;
- any taxes, fees or other governmental charges levied against the Fund;
- expenses relating to any audit, investigation, governmental inquiry or public relations undertaking;
- expenses relating to compliance with regulatory requirements applicable to the Fund;
- costs and expenses of litigation relating to the activities or operations of the Fund and any related judgments or settlements (including any indemnification paid pursuant to the Governing Documents and any extraordinary expenses or liabilities relating to the Fund's affairs);
- expenses connected with communications and reports to investors;
- technology-related expenses, including without limitation, any computer software or hardware, electronic equipment or purchased information technology services utilized in connection with a Fund's investments and operations;
- expenses of winding up and liquidating the Fund;
- all third-party fees, costs and other expenses related to any of the foregoing; and
- any other expense not specifically identified in the Governing Documents as being borne by us; and
- certain Funds reimburse us or our affiliates for certain expenses, including, among other things, expenses related to in-house services (as described below) and employees or consultants providing operational support, regulatory or legal support, specialized operations and consulting services and similar or related services (as described below –

see “*Item 11 – Real Estate Service Providers*”) to the TPGRE Vehicles or their portfolio investments. These expense reimbursements are generally disclosed to investors.

The Funds’ Governing Documents generally permit the Funds, subject to certain limitations, to borrow funds to pay the expenses described above.

Some expenses are incurred on an aggregate basis for the benefit of multiple Funds. We allocate the aggregate costs of these items across the applicable Funds in a manner we determine to be reasonable and fair to all parties, including allocating costs on a pro rata basis in accordance with assets under management or another metric that is equitable under the circumstances. See “*Item 11 – Allocation of Fees and Expenses*” for more information.

For information on brokerage practices, see Item 12 below.

Co-Investment Vehicles. In certain cases, a Co-Investment Vehicle or other co-investor will 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 will typically be borne entirely by the Fund or Funds we select as proposed investors for such proposed investment, rather than the Co-Investment Vehicle or other co-investor.

With respect to Co-Investment Vehicles, any fees we receive are generally negotiated on a vehicle-by-vehicle basis, but sometimes include asset-based fees and expense reimbursements, non-advisory administrative fees and/or management fees similar to those described above for the Funds.

Fees for Services Provided to Portfolio Investments. In addition, we or our affiliates, including the general partners of the TPGRE Vehicles, receive fees related to the making, disposition, or management of portfolio investments by the TPGRE Vehicles (“Related Services”), other than in the case of certain REITs, including

- acquisition and disposition fees;
- monitoring fees;
- directors’ fees;
- financial consulting fees;
- advisory fees;
- fees for asset management, construction, leasing, development and other property management services;
- break-up fees in connection with the termination of a potential investment under certain circumstances;
- loan servicing fees;

- special servicing fees;
- fees for brokerage, financing and related services;
- origination fees; and
- any other fees earned on or relating to the making, disposition, or management of portfolio investments.

The fees for Related Services are often substantial and can adversely affect the performance of a TPGRE Vehicle's portfolio investment. The fees are not necessarily negotiated on an arm's-length basis, and are paid in cash, in securities of the portfolio investments or investment vehicles (or rights thereto) or otherwise. There are also circumstances (such as the occurrence of an exit transaction such as a sale or initial public offering) that accelerate the payment of such fees, requiring a termination payment by the portfolio company, which often reflects the net present value at the time of termination of the fees that would have been paid for the remaining term of the agreement. Because the agreements with respect to portfolio investments providing for such fees typically have prolonged terms (often subject to automatic extensions and renewal), the effect of such acceleration is often substantial, particularly in the event that these circumstances occur early in the life of the TPGRE Vehicle's investment.

Although these fees for Related Services are in addition to the management fees, we will in some circumstances be obligated to reduce the amount of management fees paid by the applicable TPGRE 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 TPGRE Vehicles and is generally set forth in the Governing Documents of the applicable TPGRE Vehicle. Furthermore, a TPGRE 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 TPGRE Vehicles do not pay management fees (e.g., certain Co-Investment Vehicles) or do not have offset provisions requiring the reduction of management fees, any such reduction will not benefit such TPGRE Vehicles.

Certain fees and reimbursements are generally not considered fees for Related Services under the terms of the applicable Governing Documents, and are not subject to the reduction arrangements described above. These fees and reimbursements include:

- reimbursements from portfolio investments for expenses (including without limitation travel expenses, which include expenses for business or first class travel, "black car" transportation and meals (including late night meals consumed at times when not traveling) and entertainment-related expenses) and entertainment expenses) we incur in connection with our performance of services for such portfolio investment;
- a portion of a transaction or other fee received from an actual or prospective portfolio investment that we in our sole discretion agree to pay to a third party (a "Third-Party Fee"), such as a consultant, advisor, finder, broker and/or investment bank (as the Third-Party Fee is not a fee that we are entitled to retain);

- fees and commissions payable to TPG Capital BD, LLC (“TPG BD”), our broker-dealer affiliate (as described below – see “*Item 5 – Fees Received by TPG Capital BD, LLC*”);
- reimbursements from portfolio investments for Real Estate Services (as described below – see “*Item 11 – Real Estate Service Providers*”); and
- reimbursements from the Funds in respect of in-house services (as described below).

With respect to REITs, we receive certain management fees or incentive compensation from a TPGRE Vehicle (“Lower Tier Vehicle”) that is owned by another TPGRE Vehicle (“Upper Tier Vehicle”), which would result in us being paid compensation from two TPGRE Vehicles with respect to the same assets. The Governing Documents of certain TPGRE Vehicles generally obligate us to reduce the amount of management fees paid by the applicable Upper Tier Vehicle by an amount equal to all or a portion of such compensation paid by the Lower Tier Vehicle. Such reduction will not generally apply with respect to any other compensation paid and expenses of (or reimbursed by) the Lower Tier Vehicle.

In addition, we, or our employees on our behalf, expect to receive stock of certain portfolio investments as a fee for Related Services due to the service of our employees on the boards of such portfolio investments. The recipients (including us) of such stock generally will be able to determine the timing of the stock’s disposition, which creates in certain circumstances a conflict of interest between us, as an adviser to the TPGRE Vehicle, and our related persons, on the one hand, and the TPGRE Vehicle, on the other.

We and our affiliates also engage and retain senior advisors, advisers, consultants, and other similar professionals who we believe are not our employees under relevant labor laws and who, from time to time, receive payments from, or allocations with respect to, portfolio investments and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by us and our affiliates and such amounts will not be subject to the sharing arrangements described above.

Receiving fees that do not offset the management fees gives us an incentive to maximize the amount of these fees and to cause TPGRE Vehicles to make investments that could generate such fees even if we otherwise would not have caused TPGRE Vehicles to make such investments in their absence.

Certain In-House Services. Certain Funds pay or reimburse us for the fees, costs and other expenses related to certain legal, regulatory, tax, accounting and similar services provided by us or an affiliate (including an allocable portion of personnel and related overhead expenses) if certain conditions are met, which generally include:

- the services would ordinarily be provided by third-party service providers whose fees, costs and expenses would be paid by the TPGRE Vehicle;
- we reasonably believe it is in the TPGRE Vehicle’s best interests to have in-house personnel perform such services; and

- the costs of providing such services in-house are less than the amount that would be charged by a third party in an arm's-length transaction.

The amount of fees, costs and expenses of in-house services that a TPGRE Vehicle bears on an annual basis will typically be subject to a cap.

Fees Received by TPG Capital BD, LLC. Our affiliate TPG BD is a broker-dealer registered with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority ("FINRA"). TPG BD

- places securities and instruments issued by
 - certain private investment funds that we and our related entities manage individually or through our principals; and
 - other entities not related to us or our related entities;
- is expected to participate in underwriting syndicates (including acting as lead underwriter) and/or selling groups with respect to securities and instruments issued by portfolio investments of a TPGRE Vehicle;
- is expected to participate in the arrangement of lines of credit to TPGRE Vehicles, portfolio investments of TPGRE and third-party borrowers;
- participates in the syndication of opportunities to co-invest in portfolio investments alongside certain TPGRE Vehicles and third parties;
- in some cases, is expected to act as a broker in transactions on behalf of TPGRE Vehicles; and
- provides advisory services to portfolio investments of TPGRE Vehicles.

In connection with its involvement in the public or private placement of securities or instruments issued by portfolio investments of TPGRE Vehicles, TPG BD may directly or as part of an underwriting syndicate purchase from such portfolio investments of TPGRE Vehicles the securities or instruments issued.

TPG BD and other affiliates of ours receive fees, commissions and other compensation in respect of the activities described above. Any fees TPG BD receives is a subset of what would otherwise be paid to investment banks participating in the offering, not additional fees paid by the issuer or selling securityholders. While we therefore believe such fees, commissions and other compensation are reasonable and generally charged at market rates 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 third party. TPGRE Vehicles generally will not have the right to share in, or have management fee offsets for, any compensation received by TPG BD. TPG BD serves as a

broker-dealer in a transaction for a TPGRE Vehicle only if we determine it is consistent with our fiduciary duties.

When TPG BD acts as the placement agent for a TPGRE Vehicle in respect of securities or instruments issued by the TPGRE Vehicle, no commission or other compensation is received by TPG BD from such TPGRE Vehicle or their investors for such service.

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

Leveraged Procurement. Additionally, certain portfolio investments of TPGRE Vehicles are also, or have been, counterparties or participants in agreements, transactions or other arrangements that involve reimbursements to us or our affiliates. For example, portfolio investments are generally afforded the option (but are not required) to participate in a program with us, our affiliates and other portfolio investments pursuant to which consultants of one of our affiliates negotiate favorable procurement arrangements. As part of this program, our affiliate receives reimbursements from portfolio investments choosing to participate in the program (such reimbursements being designed to cover some or all of the cost of administering the program) and we and our affiliates receive the favorable procurement terms. We are eligible to receive such favorable terms due in part to the involvement of our portfolio investments. These reimbursements are not subject to advisory fee offsets or otherwise shared with the relevant TPGRE Vehicles.

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

The Funds (other than CLOs and REITs) generally allocate a portion of their investment profits to their general partners, which are affiliated with us, as a carried interest, as set forth in each Fund's Governing Documents. REITs generally allocate a portion of their excess cash flow above a hurdle rate to us as an incentive fee in accordance with the relevant Governing Documents. CLOs generally allocate a portion of their excess cash flow above a "hurdle" rate to us in accordance with the relevant CLO's indenture and Advisory Services Agreement. Incentive fees for CLOs are payable to the extent funds are available for such purpose on such payment date in accordance with the priority of payments described in the relevant CLO's indenture. Co-Investment Vehicles also, in some cases, allocate a portion of their investment profits to their general partners, which are affiliated with us, as a carried interest, as set forth in the relevant organizational documents for each Co-Investment Vehicle. Such parties' entitlement to performance-based distributions creates an incentive for us to take risks in managing the TPGRE Vehicles that we 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, creates an incentive for us or our affiliates to disproportionately allocate time, services or functions to vehicles allocating carried interests or excess cash flow at a higher rate (or subject to a lower hurdle rate), or to allocate investment opportunities to such vehicles. However, we have adopted policies and procedures that, among other things, seek to ensure that investment opportunities are allocated in a manner that we believe in good faith is fair and reasonable under the circumstances and considering such factors

as we deem relevant, but in our sole discretion. See Item 11 below for additional information relating to how we generally address conflicts of interest.

ITEM 7 – TYPES OF CLIENTS

See Item 4 – Advisory Business.

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

Methods of Analysis and Investment Strategies for TREP II

TREP II 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, TREP II may pursue other real estate-related strategies as well.

Through its theme-based approach and proactive sourcing of potential investment opportunities, TREP II seeks to capitalize on situations where it believes it can achieve attractive acquisition bases and drive value creation during its ownership. TREP II seeks investments with the following characteristics with a view to downside protection and upside potential:

- A research and data-driven approach to theme generation and investment sourcing, with the objective of executing on investment strategies around which TREP II has developed conviction – most investments are proprietary and/or privately negotiated;
- Investing in real estate primarily through platforms and companies where TPG believes the scale and/or complexity support investments in the underlying real estate at attractive valuations;
- A focus on executing three to five larger transactions per year (consistent with identified themes), with favorable acquisition dynamics;
- A value-added ownership model whereby – in conjunction with dedicated management teams – TREP II focuses on property performance and platform capabilities and, in certain instances, operational “turnarounds”; and
- Investments with certain “cash-on-cash” yield profiles (utilizing leverage when TREP II believes is prudent) that TREP II believes facilitates total returns and mitigates risk.

Research and data-driven approach to theme generation and investment sourcing

TREP II’s investment process adopts a theme-based approach to investing. Theme identification is research and data-driven, and is informed by the investment judgments of its professionals. These efforts are formalized through semi-annual TREP II strategy meetings, where the investment team analyzes real estate market statistics, capital market trends, macroeconomic and demographic data and certain industry developments to identify what it believes are compelling investment themes and strategies. The proponent of a particular investment theme develops an investment “white paper” articulating the data-driven merits of the theme and its commercial viability. The team then identifies prospective investment targets.

This approach enables TREP II to pursue investment opportunities consistent with identified themes, providing, where TREP II is ahead of other market participants, a competitive advantage in sourcing and executing proprietary investments around which TREP II has developed conviction. Recent investment themes have included the light industrial sector in the United States, the U.S. self-storage sector and Spanish industrial property.

Investing in real estate primarily through platforms and companies

TREP II focuses on investing in real estate primarily through platforms and companies that TREP II considers “property rich.” TREP II believes it can execute this strategy given the backgrounds of its investment professionals and its ability to draw from TPG’s private equity experience. TPG’s history of investing in corporate platforms provides capabilities and relationships for sourcing, executing and operating corporate and platform investments, including in acquiring public and private companies, structuring securities, facilitating “carve-outs” of non-core subsidiaries from larger parent companies, forming capital structures through the use of corporate- and property-level financing and focusing on improving the operating performance of portfolio companies.

TREP II believes that there are certain benefits of investing in property-rich platforms and companies, including:

- the acquisition process is often less competitive than individual property purchases;
- the scale and complexity of these businesses may obscure value of the companies’ underlying properties;
- 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;
- there are often value creation opportunities beyond the asset level through improved operations, “add-on” acquisitions and financing flexibility; and
- corporate platforms often present varied exit alternatives, including initial public offerings and subsequent stock sales, sales to strategic buyers and property or portfolio dispositions.

TREP II believes that these transaction characteristics should allow it to make investments at a discount to the aggregate underlying net asset value of the individual properties owned by the company or platform being acquired.

A focus on executing three to five larger transactions per year

TREP II expects to focus on real estate portfolios, platforms and other larger-scale transactions with expected total equity requirements consistent with TPG’s past real estate investing activities: (i) equity investments have ranged from approximately \$100 million to over \$500 million, with an average equity investment size of approximately \$240 million, and (ii) an

average investment pace of approximately \$800 million of equity per year, incorporating three to five new investments and add-on acquisitions to existing investments.

Given this focus on larger transactions, TREP II believes that it is able to invest significant capital, while maintaining a selective investment process. Furthermore, by focusing on larger transactions, TREP II believes that it often benefits from favorable acquisition dynamics given the limited availability of competitive capital and the complexity that frequently accompanies larger investments.

Value-added ownership model

TREP II intends to target investments where its active involvement as owners or shareholders can improve performance of the underlying assets and/or the operating platform itself, including undertaking operational “turnarounds.” This model allows TREP II to leverage the management teams associated with most of its investments. TREP II seeks to drive operational improvement through four different means of engagement:

- corporate “carve-outs”, including the establishment of core business processes, financial management systems and other corporate infrastructure supporting independent operations;
- key strategic initiatives through active board service, including add-on acquisitions, other capital investments and capitalization decisions;
- discrete elements of operational improvement initiatives and fundamental operational turnarounds through the involvement of TPG’s Operations Group and other professionals; and
- management team enhancements through targeted executive recruitment, retention and compensation programs.

Investments with “cash-on-cash” yield profiles

TREP II believes that current cash yield on its equity investment is an important element of total return and also a risk mitigant for its investments (as it can be used to pay down debt, be reinvested and/or be distributed to investors). Given the low prevailing interest rates in both the United States and Europe, TREP II believes it has the opportunity to make investments in high quality income-producing portfolios that generate cash-on-cash returns, utilizing leverage when TREP II believes is prudent.

Methods of Analysis and Investment Strategies for RE Finance Trust Management

RE Finance Trust Management primarily pursues a strategy that focuses on commercial real estate loans and direct or indirect interests therein. RE Finance Trust Management targets debt investments that are generally expected to have the following characteristics:

- 60% to 75% advance rate on underlying real estate loan collateral;

- predominantly secured by first priority liens;
- institutional quality borrowers and/or sponsors;
- high quality real estate collateral located in primary market and major submarket locations;
- value-add sponsor business plan; and
- customary lender rights.

RE Finance Trust Management seeks to identify opportunities that it expects to benefit from strong fundamentals and have limited alternate financing capital sources. RE Finance Trust Management focuses on loans ranging from 60 to 75% of total value and in some cases will look to retain the senior mortgage loan and sell off the junior debt or, alternatively, sell off the senior mortgage loan and retain the junior debt. In addition, RE Finance Trust Management intends to structure the loans with guarantees for any so-called bad-boy acts, environmental liabilities and, under certain circumstances, liabilities relating to construction, redevelopment, reserves and business plan milestone covenants.

Sourcing efforts focus on the investment characteristics and disciplines outlined above with the goal of creating proprietary investment opportunities or gaining competitive advantages in a limited competitive process. Generally, sources of investment opportunities for RE Finance Trust Management include:

- RE Finance Trust Management's network of business relationships, which extends to senior executives of operating companies and property owners, developers, asset managers, institutional investors, mortgage brokers and lenders, intermediaries of real estate assets in both the public and private market and real estate lawyers across the United States;
- referral arrangements; and
- integration with TPG's other platforms.

RE Finance Trust Management's Business Relationships: RE Finance Trust Management's management team has networks of business relationships developed from their many years as real estate private equity investors and real estate investment bankers, among other backgrounds.

Referral Agreement: RE Finance Trust Management has an ongoing sourcing arrangement with a global bank that increases sourcing beyond the RE Finance Trust Management team. This arrangement may be terminated under certain circumstances.

TPG Platform Benefits: RE Finance Trust Management is expected to benefit significantly from its affiliation with TPG. In addition to the numerous investment professionals located in offices around the world, TPG also has many senior advisors (which, in general, are not considered TPG's employees or affiliates) with significant business and political relationships in both the United States and Europe that are brought to bear for the benefit of RE Finance Trust

Management. Additionally, RE Finance Trust Management expects to benefit from TPGRE's relationships. TPGRE is a significant investor in commercial real estate in the United States and Europe.

Market Deal Flow: RE Finance Trust Management also expects to become aware of potential investments through its relationships with sell-side advisors, market peers and investment banks, among other sources.

Material Risks of Significant Investment Strategies

The investment strategies described above, and other strategies that TPGRE Vehicles pursue, involve a substantial degree of risk, and the TPGRE 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 Fund's offering document and our representatives and those of our affiliates are available to discuss with potential investors risks involved in the strategies a TPGRE Vehicle pursues. Such material risks include the following:

Material Risks of Significant Investment Strategies for TREP II

Nature of Investment. If a Fund only makes a limited number of investments, or if a Fund's investments 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.

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 portfolio. Because a substantial portion of a Fund's committed capital could be invested in a single portfolio investment may be invested in any single portfolio investment without (subject to any limitations in a Fund's Governing Documents) the approval of the Fund's advisory committee, 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 would not necessarily provide meaningful risk control, and would reduce a Fund's profit potential if certain investments were unprofitable while others are profitable.

Furthermore, if a Fund either co-invests with other investment funds or invests in properties whose debt or equity interests are owned by other investment funds, an investor who is also an investor in such other investment fund would have exposure to an investment (in the form of equity and/or debt securities or loans) through more than one fund.

Market Conditions and Financial Market Fluctuations. A Fund's performance 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;
- national and international political circumstances; and
- natural disasters.

Difficult market conditions are likely to adversely affect a Fund by reducing the value or performance of its investments or by reducing its ability to raise or deploy capital.

Reliance on Our Management. The success of a Fund will depend in large part upon the skill and expertise of a Fund's general partner, our professionals and those of our affiliates. There can be no assurance that any individual professional will continue to be associated with a Fund. The ability to recruit, retain and motivate qualified professionals is dependent in part on our ability and that of our affiliates to offer attractive incentive opportunities. There is competition among alternative asset firms, financial institutions, private equity firms, investment managers, and other industry participants for hiring and retaining qualified investment professionals. If legislation were to be enacted to treat carried interest as ordinary income rather than capital gain, the amount of taxes that such professionals be required to pay with respect to their carried interest would materially increase, thereby adversely affecting our ability and that of our affiliates to offer such attractive incentive opportunities. Should any of our 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, TREP II's investment strategies in certain investments depend on its ability to enter into relationships with joint venture or operating partners. There can be no assurance that TREP II's current relationship with any such person will continue with respect to a particular Fund or that it will establish in the future any relationship with other such persons on terms favorable to a Fund.

Reliance on the Management of Portfolio Investments. Although it is TREP II's intention to ensure that a Fund's portfolio investments have strong management teams, there can be no assurance that any portfolio investment management team will be able to operate successfully. In addition, instances of fraud and other deceptive practices committed by the management team of portfolio investments may undermine our due diligence efforts. If such fraud is discovered, it likely would adversely affect the valuation of the Fund's investment.

Additionally, portfolio investments need to attract, retain and develop executives and members of their management teams. There can be no assurance that portfolio investments will be able to do so, in which case the Fund would be adversely affected.

Competition for Investments. The Funds expect to encounter competition in pursuing investment opportunities from entities having similar investment objectives or strategies. Potential competitors include other investment funds, publicly traded real estate investment trusts, 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 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, over the past several years, many real estate investment funds and publicly traded real estate investment trusts have been formed for the purpose of investing in real estate assets, and others have been consolidated or grown substantially in size. Additional real estate funds and publicly traded real estate investment trusts with similar investment objectives will likely be formed in the future by other unrelated parties and further consolidations are expected to occur, resulting in larger funds and vehicles and further increased competition for Funds.

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

Co-Investment Warehousing. A Fund from time to time will temporarily set aside, or "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 the co-investment is not ultimately consummated, the Fund would 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 generally would increase in the event an investment decreases in value during the warehousing period, potentially requiring the Fund to bear the losses in connection with the investment.

Risk of Leverage. A Fund's portfolio investments will often borrow funds or enter into other financing arrangements. The use of borrowed funds creates the opportunity for greater total returns, but at the same time involves risks. Because a Fund's portfolio investment often will be required to pay the principal of, and/or interest on, its borrowings prior to making any distributions to the Fund, an increase or decrease in capital or income of the portfolio investment will have an increased effect on the returns to the Fund. Leverage will increase the exposure of a portfolio investment to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition or performance of the portfolio investment. In addition, a Fund may guarantee portfolio investment indebtedness, which increases risks of leverage to the Fund.

A portfolio investment's ability to obtain financing would be adversely affected if the capacity of the portfolio investment or lenders is impaired by unfavorable economic conditions or changes to

the laws and regulations governing their operations. For example, the portfolio investment's lenders may have the ability to terminate or reduce available financing in the event that there is a material adverse change in market conditions. These factors generally would also impact the terms on which the portfolio investment is able to borrow, and lenders often have rights to discontinue lending arrangements or require the portfolio investment to post additional collateral. To the extent that a portfolio investment relies on short-term financing arrangements, it will be dependent on lenders renewing such arrangements on maturity.

Moreover, the ability of portfolio investments to refinance debt securities often depends on their ability to sell new securities in the public high yield debt market or otherwise.

In the event that a portfolio investment's financing arrangements are terminated or not renewed beyond their initial terms, the portfolio investment generally would need to seek additional or replacement financing expeditiously in order to meet its repayment or other contractual obligations. If performance or market conditions have deteriorated, the portfolio investment likely will only be able to obtain necessary financing at considerable extra cost, if at all.

An inability of a Fund's portfolio investment to obtain a desired amount of leverage would limit the Fund's overall investment exposure, thereby potentially reducing the Fund's performance. The use of leverage entails interest, transaction and other costs. The use of leverage will decrease investment returns if the cost of such leverage is not recovered.

The Funds, or any special purpose vehicles they establish, from time to time borrow funds or enter into other financing arrangements to pay fund expenses, to make or facilitate new or follow-on investments, to make payments under guarantee, surety or hedging transactions, to cover any shortfall resulting from an investor's default or exclusion, or to facilitate timely distributions from investments that have been subject to disposition. To the extent a Fund borrows or guarantees indebtedness, it will be subject to risks similar to those described above. To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, its investors will make correspondingly later or smaller capital contributions. As a result, the use of borrowed funds at the Fund level can impact calculations of the fees and carried interest a Fund's general partner receives, as these calculations generally depend on the amount and timing of capital contributions. Investors also may be required to execute documents or provide financial information in connection with Fund borrowings.

Bridge Financings. From time to time, a Fund lends 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 generally would not adequately reflect the risk associated with the loans made by the Fund.

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 our and the Funds' exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight would impose administrative burdens on us, which could include responding to

investigations and implementing new policies and procedures. We would expect such burdens to divert our time, attention and resources from portfolio management activities. We anticipate that, in the normal course of business, our officers will have contact with governmental authorities and/or be subjected to responding to inquiries or examinations. We would also expect the Funds to be subject to regulatory inquiries concerning their securities positions and trading.

The passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Pursuant to the Dodd-Frank Act, the Securities and Exchange Commission has adopted rules that require additional reporting by registered investment advisers to private funds, which have added costs to TREP II’s legal, operations and compliance obligations, and those of the Funds and their general partners, and have increased the amount of time that TREP II spends on non-investment-related activities.

The Dodd-Frank Act 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, broker-dealers, futures commission merchants and swap dealers. Regulatory changes that affect other market participants are likely to change the way a Fund conducts business with counterparties. It is difficult to anticipate the effect of these and other regulatory changes on a Fund and its general partner. It will likely take years to understand the impact of the Dodd-Frank Act on the financial industry as a whole, and such continued uncertainty makes markets more volatile, making it increasingly difficult for TREP II to execute the investment strategy of a Fund.

The implementation of the European Union’s Directive 2011/61/EC on Alternative Investment Fund Managers (the “AIFM Directive”) could have an adverse effect on the continued operation of a Fund where limited partner interests are offered to or placed with investors in any European Economic Area (“EEA”) Member State where the AIFM Directive has been implemented. The AIFM Directive applies to the manager of any investment fund that is not authorized under the Undertakings for Collective Investment in Transferable Securities Directive (an “AIF”) or does not otherwise fall within a relevant exclusion under the AIFM Directive (an “AIFM”). Beginning in 2015, we expect it to be possible for certain third country AIF Managers to market funds actively in any EEA Member State on the basis of a pan-EU “passport” subject to authorization of the AIFM in an EEA Member State and compliance by the AIF general partner and manager with all relevant provisions of the AIFM Directive.

A Fund’s general partner will be more restricted in marketing the Fund to investors who are domiciled or have a registered office in any EEA Member State where the AIFM Directive is in force than was the case before its implementation. This could limit the Fund’s ability to attract investors, resulting in a reduction in the overall amount of capital raised by such Fund which limits the range of investment strategies and investments that the Fund is able to pursue and make.

TREP II and a Fund’s general partner will be required to comply with additional initial disclosure, annual reporting and regulatory filing requirements in relation to a Fund and, in

certain EEA Member States, will be required to comply with registration requirements, including the requirement to appoint a depositary. Compliance with these requirements will result in additional costs to the applicable Fund, reducing the returns for investors. The need to comply with any such registration requirements has the potential to delay the fundraising process, thereby reducing the speed with which TREP II and the Fund's general partner can deploy the capital raised.

The AIFM Directive will impose certain requirements and restrictions on a Fund where the Fund acquires control of a portfolio investment in an EEA Member State. These requirements will include making certain notifications and disclosures where a Fund acquires or disposes of shares in an EEA portfolio investment. The restrictions will include restrictions on the extent to which a Fund can bring about or support distributions, acquisition of shares or reductions in the capital of an EEA portfolio investment. These requirements and restrictions could limit the use of certain investment and realization strategies, such as dividend recapitalization and reorganizations. These requirements and restrictions could also place a Fund, its general partner and TREP II at a disadvantage against competitors that do not use a fund structure or whose fund(s) have not been marketed in any EEA Member State. In addition, compliance with these requirements and restrictions often results in additional costs to a Fund, reducing the returns for investors.

There is still some uncertainty as to the manner in and extent to which the AIFM Directive is being implemented in various EEA Member States. This uncertainty increases the risk of a breach by a Fund's general partner and us in an EEA Member State of the requirements imposed by the AIFM Directive. Such a breach could result in a regulatory authority or court in that or another EEA Member State requiring the general partner and us to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against a Fund, its general partner, or us. This could result in a reduction in the overall amount of capital available to a Fund, thus potentially limiting the range of investment strategies and investments that the Fund is able to pursue and make or otherwise result in a loss to the Fund.

Potential Reporting Obligations; Other Regulatory Regimes. Acquisitions by a Fund of equity securities are expected to result from time to time in reporting and compliance obligations under the Securities Exchange Act of 1934, as amended (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, financial services, healthcare and mortgage industries often require a Fund or its affiliates 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. Although portfolio investments

typically 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 Fund can sell a portfolio investment at any time, we generally do not expect this to occur for a number of years after the Fund makes the investment. 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 TREP II 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, contractual, legal or regulatory reasons will prohibit a Fund from selling certain portfolio investments for a period of time.

Risk Management; Operational Controls. Although TREP II 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 TREP II and a Fund's general partner involve third parties over whom TREP II 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 TREP II and a Fund's general partner also necessarily include subjective elements, making the judgment and discretion of TREP II and such general partner's investment professional, and our "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 TREP II 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 will 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 often result in the incurrence of contingent liabilities for which the applicable Fund's general partner may establish reserves or other risk mitigation strategies, such as escrows or insurance. In the event of a breach of a Fund's obligations, a Fund's investors would be required, if needed, 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 could 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, would negatively impact the performance of the Fund. Additional risks include, but are not limited to,

- risks 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 would 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 would 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 TREP II’s control.

Most of the potential portfolio investments will be difficult to value, and if TREP II'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 would 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 at which it is carrying them.

Risks of Acquiring Real Property. The Funds' portfolio investments will be subject to various risks that cause fluctuations in occupancy, rental rates, operating income and expenses or that 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 could 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 could 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 would 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 would adversely impact Funds' returns.

Additionally, a Fund occasionally will 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 often will agree to lock-up 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 would 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 is only the tenant's improvements on the property, or the liability of the lessee is 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 generally would experience delays in enforcing its rights as lessor, incur substantial costs in protecting its investment and experience an impairment of value.

Due to the relatively illiquid nature of real estate investments, TREP II's ability to vary a Fund's portfolio promptly in response to changes in economic or 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. Tenants will experience, from time to time, a downturn in their businesses or operations that would weaken their financial condition and result in their 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. Certain Funds at times will acquire real estate loans or participation interests that are nonperforming at the time of their acquisition or later become nonperforming for a wide variety of reasons. Such nonperforming real estate loans generally require a substantial amount of workout negotiations and/or restructuring, which typically would 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, replacement "takeout" financing may not be available upon maturity of such real estate loan. 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 will 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 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 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 result in disrupting ongoing leasing and management of the property. In addition, certain of the real estate loans in which a Fund may invest would 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 will 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 would adversely affect their value and the value of such Fund.

Mortgage-Backed Securities. A Fund may to acquire senior and subordinated tranches of mortgage-backed securities ("MBS") issuances. In general, subordinated tranches of MBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and also have subordinated rights as to receipt of interest distributions. Subordinated tranches are subject to a greater risk of nonpayment than senior tranches of MBS

or MBS-backed by third-party credit enhancement. 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. Accordingly, such subordinated MBS would have limited marketability, and there can be no assurance that a more efficient secondary market will develop. Although senior tranches of MBS are less risky than subordinated tranches of the same issue, they are still subject to the risk of loss.

Commercial Mortgage Loans. A Fund may hold directly or indirectly (e.g., through investments in commercial mortgage-backed securities (“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 would 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; and
- “acts of God,” terrorism, social unrest and civil disturbances.

A commercial property generally is not readily 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 generally present a greater risk of loss because these borrowers typically are 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 Fund with a substantial amount of its capital invested in residential mortgage loans would 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. If a Fund is subject to liability for potential violations of predatory and other lending laws, it would 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 can be highly subjective and open to interpretation. As a result, a court could still 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 is occasionally 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 generally would 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 acquires 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 Operating Turnarounds. In some cases, the success of a Fund's investment strategy will depend, in part, on its ability to restructure and improve the operations of a portfolio investment, and there can be no assurance that a Fund will be able to successfully identify and implement such restructuring programs and improvements. Accordingly, an investment with a turnaround strategy may not be successful, which would adversely affect a Fund's performance.

Investments in Troubled Assets. Certain Funds expect to make substantial investments in nonperforming, underperforming or undercapitalized real estate companies or other troubled assets that involve a degree of financial risk and are experiencing, or are expected to experience, severe financial difficulties, which may never be overcome, therefore leading to a loss of some or all of the Fund's investment. Portfolio investments originated or sponsored by financial institutions that are insolvent, in serious financial difficulty or no longer in existence, adversely affecting 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. 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 U.S. 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 present analogous or different credit issues. Bankruptcy laws typically would delay the ability of a Fund to realize on collateral for loan positions held by it or adversely affect the priority of such loans through doctrines such as equitable subordination. Bankruptcy laws generally also permit the restructuring of debt without a Fund's consent under "cramdown" provisions 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. Certain Funds expect to 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 generally produce 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, if market conditions change during the course of development, it would 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 fraudulent activity related to 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 seek to ensure that portfolio investments maintain appropriate liability, flood, extended coverage and rental loss insurance. However, certain losses will either be 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 will 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 will generally 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 expects to 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 is liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Some laws 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, would adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which generally would 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 entails 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, 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, that it should have been afforded the opportunity to purchase the asset or alternatively that it should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made. 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.

Non-U.S. Investments. Funds from time to time make investments outside of the United States, including in certain emerging foreign markets. 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:

- 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;
- differences between U.S. and non-U.S. real estate markets, including potential price volatility in, and relative illiquidity of, some non-U.S. real estate markets;
- the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation;
- 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;
- the possible imposition of non-U.S. taxes on income and gains recognized with respect to such portfolio investments;
- less developed corporate laws regarding the protection of investors and property owners;
- differences in the legal and regulatory environment or enhanced legal and regulatory compliance;
- political hostility to investments by foreign or private equity investors; and,
- less publicly available information.

In addition, investments located in non-U.S. jurisdictions that are involved in restructurings, bankruptcy proceedings and/or reorganizations generally are not subject to laws and regulations 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 would be adversely affected. TREP II 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 are heightened in respect of investments made 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.

Eurozone Risks. Certain Funds will invest in European properties and other assets that have operations 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.

Risks Associated with Publicly Traded Securities. Funds from time to time invest in publicly traded securities of real estate companies and hold publicly traded securities following a partial exit from an investment. Investments in securities of publicly traded real estate companies are sensitive to movements in the stock market and trends in the overall economy.

Uncertainty Regarding Investments. Although a Fund will make every effort to conduct appropriate due diligence prior to making an investment, the due diligence process is subjective at times, is generally required to be undertaken on an expedited basis and/or on the basis of imperfect information in order to take advantage of available investment opportunities and at times require the Fund 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, there can be no assurance that the due diligence investigation will reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. The Fund also cannot be certain that the due diligence investigation will result in investments being successful.

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, make it more costly to refinance the debt of a Fund's portfolio investments and cause a decrease in value in a Fund's debt investments. Factors that 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.

TREP II 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, TREP II will have difficulty managing this risk effectively. If TREP II is unable to manage interest rate risk effectively, a Fund's performance could be adversely affected.

Hedging. Subject to any limitations in a Fund's Governing Documents, a Fund at times will, but typically will not be required to, employ hedging techniques intended to reduce the risks of adverse movements in interest rates, securities prices and currency exchange rates. While such transactions reduce certain risks, they entail certain other risks and costs. A Fund generally will benefit from the use of these hedging mechanisms, but unanticipated changes in interest rates, securities prices or currency exchange rates could result in a poorer overall performance for such Fund than if it had not entered into such hedging transactions.

The success of a Fund's hedging strategy will depend, in part, upon TREP II'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. Since the characteristics of many investments change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to TREP II's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Fund would enter into hedging transactions to seek to reduce risk, such transactions can result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, TREP II will not always seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation at times will prevent a Fund from achieving the intended hedge or expose the Fund to risk of loss. TREP II will be unable to or will 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, probability or magnitude 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 investments. In addition, although such hedging transactions hedge economic risks, they may not be effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction may differ from the character of the loss or gain on the investment, or the timing of gain or loss for tax purposes may differ between the hedging transaction and the investment.

Third-Party Involvement. Funds co-invest from time to time with third parties through joint ventures or other entities. Such investments involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer has financial, legal or regulatory difficulties, resulting in a negative effect on such investment, has economic or

business interests or goals that are inconsistent with those of a Fund or is in a position to take (or block) action in a manner contrary to a Fund's investment objectives or the increased possibility of default by, diminished liquidity or insolvency of, the third party, due to a sustained or general economic downturn. In addition, a Fund will, in certain circumstances, be liable for the actions of its third-party partners or co-venturers. In circumstances in which third parties involve a management group, such third parties typically receive compensation arrangements relating to such investments, including incentive compensation arrangements or fees based on the value of assets managed.

Non-Controlling Investments. Funds hold non-controlling interests in certain portfolio investments and, therefore, typically have a limited ability to protect their investments in such portfolio investments. In such cases, a Fund will typically be significantly reliant on the existing management, board of directors and other shareholders of such portfolio investments, who generally will not be affiliated with us or the Fund, and whose interests at times will conflict with the interests of the Fund.

Controlling Interests. Because of its equity ownership, representation on the board of directors and/or contractual rights, a Fund exercises control over, participates in the management of or influences the conduct of certain portfolio investments. The exercise of control over an entity imposes additional risks of liability for environmental damage, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability characteristics of business ownership generally may be ignored. If these liabilities were to arise, a Fund may suffer a significant loss.

Uncertainty of Financial Projections. TREP II will generally make Fund investments on the basis of financial projections for such portfolio investments, 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 can potentially vary significantly from the projections. General economic and market conditions, which are not predictable, can have a material adverse impact on the reliability of projections. General economic and market conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

Tax Considerations. We expect the Funds to be subject to income and/or withholding taxes in the various jurisdictions in which they conduct investment activities. The rate of any withholding taxes and the creditability of such foreign taxes will depend on the facts and circumstances relating to the particular investment and generally differs for each investment. The Funds will take positions with respect to certain tax issues that depend on legal and other interpretive conclusions.

Co-Investment Vehicles will 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 will likely be subject to additional risks, as described in their respective offering documents.

Material Risks of Significant Investment Strategies for RE Finance Trust Management

General Real Estate Risks. Income from, and the value of, a Fund's interest in real estate investments generally are adversely affected by a number of factors that are generally applicable to most real estate, including

- the general economic climate;
- local conditions, such as oversupply of properties or a reduction in demand for properties in the areas in which they are located;
- competition from other properties;
- increases in operating costs (including insurance premiums, utilities and real estate taxes);
- in the case of real property leased to one or more lessees, the ability of the lessees to make rent payments;
- the cost of compliance with regulations and the potential for liability under applicable laws, including changes in tax laws;
- interest rate levels;
- the availability of financing;
- acts of God, including, without limitation, earthquakes, hurricanes and other natural disasters (which may result in uninsured losses);
- acts of war or terrorism; and
- other factors which are beyond the control of a Fund in whole or in part.

Certain significant expenditures associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) generally do not decline when circumstances cause a reduction in income from the property. Because real estate investments are relatively illiquid, a Fund's ability to vary its portfolio promptly in response to economic or other conditions is limited. The relative illiquidity of its holdings could impede a Fund's ability to respond to adverse changes in the performance of its investments. No assurances can be given that the fair market value of any assets acquired by a Fund will not decrease in the future.

Loans and Debt Investments. Certain Funds expect to invest in debt in or relating to real estate-related businesses, assets or interests. Any deterioration of real estate fundamentals generally, and in the United States in particular, could negatively impact a Fund's performance by making it more difficult for entities in which a Fund has an investment, or "borrower entities," to satisfy their debt payment obligations, increasing the default risk applicable to borrower entities, and/or making it relatively more difficult for a Fund to generate attractive risk-adjusted returns.

Changes in general economic conditions will affect the creditworthiness of borrower entities, including

- economic and/or market fluctuations;
- changes in environmental, zoning and other laws;
- casualty or condemnation losses;
- regulatory limitations on rents;
- decreases in property values;
- changes in the appeal of properties to tenants;
- changes in supply and demand;
- fluctuations in real estate fundamentals (including average occupancy and room rates for hotel properties);
- energy supply shortages;
- various uninsured or uninsurable risks;
- natural disasters;
- changes in government regulations (such as rent control);
- changes in real property tax rates and operating expenses;
- changes in interest rates;
- changes in the availability of debt financing and/or mortgage funds, rendering the sale or refinancing of properties difficult or impracticable;
- increased mortgage defaults;
- increases in borrowing rates;
- negative developments in the economy that depress travel activity; and
- demand and/or real estate values generally and other factors that are beyond a Fund's control.

The value of securities of companies that service the real estate business sector will also be affected by such risks.

RE Finance Trust Management cannot predict the degree to which economic conditions generally, and the conditions for real estate debt investing in particular, will improve or will deteriorate. Declines in the performance of the U.S. and global economies or in the real estate debt markets could have a material adverse effect on a Fund's performance.

Commercial Real Estate Debt Instruments. Commercial real estate debt instruments (e.g., mortgage loans, mezzanine loans and preferred equity) that are secured by commercial property are subject to risks of delinquency and foreclosure and risks of loss that are greater than similar risks associated with loans made on the security of single-family residential property. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of the property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan generally would be impaired. Net operating income of an income-producing property is affected by, among other things:

- tenant mix and tenant bankruptcies;
- success of tenant businesses;
- property management decisions, including with respect to capital improvements, particularly in older building structures;
- property location and condition;
- competition from other properties offering the same or similar services;
- changes in laws that increase operating expenses or limit rents that may be charged;
- any need to address environmental contamination 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;
- changes in interest rates and in the state of the debt and equity capital markets, including diminished availability or lack of debt financing for commercial real estate;
- changes in real estate tax rates and other operating expenses;
- changes in governmental rules, regulations and fiscal policies, including environmental legislation;
- seasonal and weather-related fluctuations in demand affecting the performance of certain commercial real estate, including real estate used in the hospitality industry;

- declines in demand for real estate from increased use of e-commerce or other technological advances;
- acts of God, terrorism, social unrest and civil disturbances, which decrease the availability of or increase the cost of insurance or result in uninsured losses; and
- adverse changes in zoning laws.

In addition, a Fund is exposed to the risk of judicial proceedings with its borrowers and entities in which a Fund invests in, including bankruptcy or other litigation, as a strategy to avoid foreclosure or enforcement of other rights by a Fund as a lender or investor. In the event that any of the properties or entities underlying or collateralizing a Fund's loans or investments experiences any of the foregoing events or occurrences, the value of, and return on, such investments would generally decline, which could adversely affect a Fund's performance.

Interest Rate Risk. Interest rate risk relates to the sensitivity of a Fund's performance, the market value of a Fund's investments and the financing cost of a Fund's debt to fluctuations in interest rates generally. Changes in interest rates generally affect a Fund's net income from loans and other investments, which is the difference between the interest and related income a Fund earns on its interest-earning investments and the interest and related expenses a Fund incurs in financing these investments. Interest rate fluctuations resulting in a Fund's interest and related expenses exceeding interest and related income would result in operating losses for a Fund. Changes in the level of interest rates also generally affect a Fund's ability to make loans or investments, the value of a Fund's loans and investments, a Fund's ability to realize gains from the disposition of assets and borrower default rates.

A Fund's performance will depend, in part, on differences between the income earned on a Fund's investments, net of credit losses, and a Fund's financing costs. For any period during which a Fund's investments are not match-funded or otherwise hedged, the income earned on such investments may respond more slowly to interest rate fluctuations than the cost of a Fund's borrowings. Consequently, changes in interest rates, particularly short-term interest rates, may immediately and significantly decrease a Fund's performance and the market value of a Fund's investments.

Prepayment Risk. With respect to a Fund's investments in mortgage-related securities or pools of mortgage securities, the performance of a Fund and/or the value of a Fund's assets generally would be affected by prepayment rates on loans related to such investments. If a Fund originates or acquires mortgage-related securities or a pool of mortgage securities, a Fund anticipates that the underlying mortgages will prepay at a projected rate generating an expected yield. If a Fund purchases assets at a premium to par value, when borrowers prepay their loans faster than expected, the corresponding prepayments on the mortgage-related securities generally would reduce the expected yield on such securities because a Fund will have to amortize the related premium on an accelerated basis. Conversely, if a Fund purchases assets at a discount to par value, when borrowers prepay their loans slower than expected, the decrease in corresponding prepayments on the mortgage-related securities generally would reduce the expected yield on such securities because a Fund will not be able to accrete the related discount as quickly as originally anticipated. Prepayment rates on loans are affected by a number of

factors including, but not limited to, the availability of mortgage credit, the relative economic vitality of the area in which the related properties are located, the servicing of the loans, possible changes in tax laws, other opportunities for investment and other economic, social, geographic, demographic, legal factors and other factors beyond a Fund's control. Consequently, such prepayment rates cannot be predicted with certainty and no strategy can completely insulate a Fund from prepayment or other such risks. In periods of declining interest rates, prepayment rates on loans generally increase. If general interest rates decline at the same time, the proceeds of such prepayments received during such periods are likely to be reinvested by a Fund in assets yielding less than the yields on the assets that were prepaid. In addition, as a result of the risk of prepayment, the market value of the prepaid assets may benefit less than other fixed income securities from declining interest rates.

Similarly, with respect to a Fund's investments in direct loans or interests therein, the performance of a Fund and/or the value of such investments would be affected by the occurrence of voluntary or mandatory prepayment events.

Lack of Control. RE Finance Trust Management's ability to manage its portfolio of loans and investments will be limited by the form in which they are made. In certain situations, RE Finance Trust Management expects to:

- acquire investments subject to rights of senior, pari passu or junior lenders, participants, classes and servicers under intercreditor, co-lender, participation and/or servicing agreements;
- acquire only a minority and/or a non-controlling participation in an underlying investment;
- co-invest with others through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests;
- finance its loans and investments, which financings may grant to the Fund's lender certain rights, including consent rights with respect to major decisions affecting the loans and investments subject to such financings; or
- rely on independent third party management or servicing with respect to the management of an asset.

Therefore, RE Finance Trust Management from time to time will not be able to exercise control over all aspects of its loans or investments. Such financial assets typically involve risks not present in investments where senior lenders, pari passu lenders, junior lenders, loan participants, servicers or third parties controlling investors are not involved. RE Finance Trust Management's rights to control the process following a borrower default may be subject to the rights of senior or junior creditors or servicers whose interests may not be aligned with RE Finance Trust Management. Any such person may experience financial difficulties resulting in a negative impact on such asset, have economic or business interests or goals that are inconsistent with RE Finance Trust Management or may be in a position to take action contrary to RE Finance Trust Management's investment objectives. In addition, RE Finance Trust

Management may, in certain circumstances, be held liable for the actions of its partners or co-venturers.

Risks of Transitional Loans. Certain Funds from time to time expect to invest in transitional loans to borrowers who are typically seeking short-term capital to be used in an acquisition, development, repositioning or rehabilitation of a property. The typical borrower under a transitional loan has usually identified an undervalued asset that has been under-managed and/or is located in a recovering market. If the market in which the asset is located fails to improve according to the borrower's projections, or if the borrower fails to improve the quality of the asset's management and/or the value of the asset, the borrower risks not receiving a sufficient return on the asset to satisfy the transitional loan, in which case a Fund would not recover some or all of its investment.

In addition, borrowers usually use the proceeds of a conventional mortgage or a sale of the mortgaged property to repay a transitional loan. Transitional loans therefore are subject to risks of a borrower's inability to obtain permanent financing or effectuate a sale to repay the transitional loan. In the event of any default under transitional loans that are held by a Fund, such Fund bears the risk of loss of principal and non-payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount and unpaid interest of the transitional loan. To the extent a Fund suffers such losses with respect to these transitional loans, it could adversely affect such Fund's performance.

CLOs. Certain Funds expect to invest in CLOs and other similar securities, including fixed pools or "market value" or managed pools of collateral, such as commercial loans. 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, which represent the highest credit quality in the pool, have the greatest collateralization and pay the lowest spreads over treasuries. Lower-rated CLO 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 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 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.

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

Real Estate Valuations. The valuation of real estate and therefore the valuation of any underlying security relating to loans made by, or loan interests held by, a Fund is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and the valuation methodology adopted. In addition, where a Fund invests in construction loans, initial valuations will assume completion of the project. As a result, the valuations of the real estate assets against which a Fund makes loans are subject to a large degree of uncertainty and are made on the basis of

assumptions and methodologies that may not prove to be accurate, particularly in periods of volatility, low transaction flow or restricted debt availability in the commercial or residential real estate markets.

Competition for Investments. A number of institutional lenders and other investors will compete with a Fund to make the types of loans and investments that a Fund will seek to originate or acquire. A Fund's profitability depends, in large part, on RE Finance Trust Management's ability to originate or acquire a Fund's target assets on attractive terms. In originating or acquiring a Fund's target assets, RE Finance Trust Management competes with a variety of institutional lenders and investors, including real estate investment trusts, specialty finance companies, public and private funds (including other funds managed by affiliates of TPG), commercial and investment banks, commercial finance and insurance companies and other financial institutions. Several real estate investment trusts have raised, or are expected to raise, significant amounts of capital, and have investment objectives that overlap with a Fund, which creates additional competition for lending and investment opportunities. Some competitors have a lower cost of funds and access to funding sources that are not available to RE Finance Trust Management. In addition, some of RE Finance Trust Management's competitors have higher risk tolerances or different risk assessments, which allows them to consider a wider variety of investments, offer more attractive pricing or other terms and establish more relationships than RE Finance Trust Management. Furthermore, competition for originations of and investments in a Fund's target assets generally leads to the yields of such assets decreasing, which would further limit a Fund's ability to generate satisfactory returns. Such competitive pressures may have a material adverse effect on a Fund's business, financial condition and results of operations. Also, as a result of this competition, desirable loans and investments in a Fund's target assets may be limited in the future and RE Finance Trust Management may not be able to take advantage of attractive lending and investment opportunities from time to time, as RE Finance Trust Management can provide no assurance that it will be able to identify and originate loans or make investments that are consistent with a Fund's investment objectives.

Concentration of Investments. Except as set forth in the investment guidelines in the applicable Governing Documents, a Fund is not required to observe specific diversification criteria. Therefore, a Fund's investments in its target assets may at times be concentrated in certain property types that are subject to higher risk of default or foreclosure, or secured by properties concentrated in a limited number of geographic locations.

To the extent that a Fund's portfolio is concentrated in any one region or type of asset, downturns relating generally to such region or type of asset may result in defaults on a number of a Fund's investments within a short time period, and it could adversely affect a Fund's performance.

Due Diligence Risks. Before making investments for a Fund, RE Finance Trust Management will conduct due diligence to the extent that it deems reasonable and appropriate based on the facts and circumstances relevant to each potential investment. When conducting due diligence, RE Finance Trust Management evaluates important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks are involved in the due diligence process in varying degrees depending on

the type of potential investment. Relying on the resources available to it, RE Finance Trust Management will evaluate a Fund's potential investments based on criteria it deems appropriate for the relevant investment. RE Finance Trust Management's risk assessment and loss estimates may not prove accurate, as actual results may vary from estimates. If RE Finance Trust Management underestimates the asset-level risks and losses, the performance of a Fund would be adversely affected.

Availability of Insurance. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, which are uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, also might result in insurance proceeds insufficient to repair or replace a property if it is damaged or destroyed. Under these circumstances, the insurance proceeds received with respect to a property relating to one of a Fund's investments might not be adequate to restore such Fund's economic position with respect to its investment. Any uninsured loss could result in the corresponding nonperformance of or loss on a Fund's investment related to such property.

Foreclosure Risk. A Fund may find it necessary or desirable to foreclose on certain of the loans a Fund originates or acquires, and the foreclosure process at times is lengthy and expensive. Whether or not a Fund has participated in the negotiation of the terms of any such loans, a Fund cannot guarantee the adequacy of the protection of the terms of the applicable loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, a Fund's borrowers, other creditors of its borrowers and other lenders to a Fund's borrowers (or their affiliates) are able to assert claims that might interfere with enforcement of a Fund's rights. For example, borrowers can resist foreclosure actions by asserting numerous claims, counterclaims and defenses against a Fund, including, without limitation, lender liability claims and defenses, even when the assertions have no basis in fact, in an effort to prolong the foreclosure action and seek to force the lender into a modification of the loan or a favorable buy-out of the borrower's position in the loan. In some states, foreclosure actions can take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process and potentially results in a reduction or discharge of a borrower's debt. Foreclosure may create a negative public perception of the related property, resulting in a diminution of its value. Even if a Fund is successful in foreclosing on a loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover a Fund's cost basis in the loan, resulting in a loss to such Fund. Furthermore, any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will further reduce the net proceeds and, thus, increase the loss. Other creditors of a Fund's borrower can assert claims affecting, among other things, a Fund's rights in the collateral supporting such Fund's loan investment. Other lender to a Fund's borrower may have the right to block the exercise of remedies by such Fund.

Risks of Decline in the Fair Value of a Fund's Assets. A decline in the fair value of a Fund's assets would require such Fund to recognize an "other-than-temporary" impairment against such assets under U.S. generally accepted accounting principles if a Fund were to determine that, with respect to any assets in unrealized loss positions, the Fund does not have the ability and intent to hold such assets to maturity or for a period of time sufficient to allow for recovery

to the original acquisition cost of such assets. If such a determination were to be made, a Fund would recognize unrealized losses through earnings and write down the amortized cost of such assets to a new cost basis, based on the fair value of such assets on the date they are considered to be other-than-temporarily impaired. Such impairment charges reflect non-cash losses at the time of recognition; subsequent disposition or sale of such assets could further affect a Fund's future losses or gains, as they are based on the difference between the sale price received and adjusted amortized cost of such assets at the time of sale. If a Fund experiences a decline in the fair value of its assets, it could adversely affect such Fund's performance.

Uncertain Valuations. Some of a Fund's portfolio investments will be in the form of positions or securities that are not publicly traded, such as loans or interests in loans. The net asset value of these investments that are not publicly traded will not be readily determinable. Because such valuations are subjective, the net asset value of certain of a Fund's assets will fluctuate over short periods of time, and RE Finance Trust Management's determinations of net asset value may differ materially from the values that would have been used if a ready market for these investments existed.

Additionally, a Fund's results of operations for a given period could be adversely affected if its determinations regarding the net asset value of these investments were materially higher than the values that such Fund ultimately realizes upon their disposal. The valuation process has been particularly challenging recently, as market events have made valuations of certain assets more difficult, unpredictable and volatile.

Counterparty Risk. A Fund's counterparties for critical financial relationships generally will include both domestic and international financial institutions. Many of them have been severely impacted by the credit market turmoil in past years and have been experiencing financial pressures.

In addition, the performance of a Fund's loan investment at times depends on the ability of one or more counterparties to fund future capital requirements or loan advances. While RE Finance Trust Management seeks to take measures to ensure that any such counterparties are creditworthy, there can be no assurance that such counterparties will remain creditworthy or otherwise continue to satisfy their future funding obligations. We expect that the inability or refusal of a counterparty to fund future capital or loan advances would have a material adverse effect on the value of an investment.

Risk of Leverage. A Fund will often borrow funds or enter into other financing arrangements in connection with its investments. The use of borrowed funds creates the opportunity for greater total returns, but at the same time involves risks. Because a Fund often will be required to pay the principal of, and/or interest on, its borrowings prior to making any distributions to the Fund, an increase or decrease in income from an investment may have an increased effect on the returns to the Fund. Leverage will increase the exposure of a Fund to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition or performance of investments. In addition, a Fund may guarantee indebtedness, which increases risks of leverage to the Fund.

The ability to finance an investment would be adversely affected if the performance or capacity of a Fund or its lenders is impaired by unfavorable economic conditions or changes to the laws and regulations governing their operations. These factors generally would also impact the terms on which a Fund the portfolio investment is able to borrow, and lenders often have rights to discontinue lending arrangements or require the Fund to effectuate partial paydowns or post additional collateral. To the extent that a Fund relies on short-term financing arrangements, it will be dependent on lenders renewing such arrangements on maturity.

In the event that a Fund's financing arrangements are terminated or not renewed beyond their initial terms, the Fund generally would need to seek additional or replacement financing expeditiously in order to meet its repayment or other contractual obligations. If performance or market conditions have deteriorated, the Fund likely will only be able to obtain necessary financing at considerable extra cost, if at all.

An inability of a Fund's to obtain a desired amount of leverage may potentially reduce the Fund's performance. The use of leverage entails interest, transaction and other costs. The use of leverage will decrease investment returns if the cost of such leverage is not recovered.

The Funds, or any special purpose vehicles they establish, from time to time borrow funds or enter into other financing arrangements to pay fund expenses, to make or facilitate new or follow-on investments, to make payments under guarantee, surety or hedging transactions, to cover any shortfall resulting from an investor's default or exclusion or to facilitate timely distributions from investments that have been subject to disposition. To the extent a Fund borrows or guarantees indebtedness, it will be subject to risks similar to those described above. To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, its investors will make correspondingly later or smaller capital contributions. As a result, the use of borrowed funds at the Fund level can impact calculations of the fees and carried interest a Fund's manager receives, as these calculations generally depend on the amount and timing of capital contributions. Investors also may be required to execute documents or provide financial information in connection with Fund borrowings.

Reliance on Our Management. The success of a Fund will depend in large part upon the skill and expertise of our professionals and those of our affiliates. There can be no assurance that any individual professional will continue to be associated with a Fund. The ability to recruit, retain and motivate qualified professionals is dependent in part on our ability and that of our affiliates to offer attractive incentive opportunities. There is competition among alternative asset firms, financial institutions, private equity firms, investment managers, and other industry participants for hiring and retaining qualified investment professionals.

Environmental and Similar Liabilities. A Fund will generally be exposed to risk of loss from claims arising from environmental hazards affecting real property that directly or indirectly secures such Fund's loan investments, despite the performance of due diligence by such Fund. In addition to performing due diligence, a Fund seeks to mitigate this risk by requiring an indemnity from an affiliate of the borrower and, in certain situations, obtaining, or requiring a borrower to obtain, environmental liability insurance. Under various federal, state and local laws, ordinances and regulations, an owner of, and/or lender on, real property can be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such

property. Some laws impose joint and several liability, which can result in a party being obligated to pay for an amount 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 liability therefor are generally not limited under such laws and such costs could exceed the value of the property and under certain circumstances, subject the other assets of a Fund to such liabilities. The presence of hazardous substances, or the failure to properly remediate contamination from such substances, would adversely affect a Fund's ability to realize the value of its loan collateral and generally would have an adverse effect on a Fund's return from such investment. 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.

Changing Regulatory Landscape. The laws and regulations governing a Fund's operations, as well as their interpretation, change from time to time, and new laws and regulations are enacted. Accordingly, any change in these laws or regulations, changes in their interpretation, or newly enacted laws or regulations and any failure by a Fund to comply with these laws or regulations, could require changes to certain of a Fund's business practices, negatively impact a Fund's performance, impose additional costs on a Fund or otherwise adversely affect a Fund's business. Furthermore, if regulatory capital requirements, from the Dodd-Frank Act, Basel III or other regulatory action, are imposed on private lenders that provide a Fund with funds, or were to be imposed on a Fund, they or such Fund may be required to limit, or increase the cost of, financing they provide to a Fund or that a Fund provides to others. Among other things, this could potentially increase a Fund's financing costs, reduce a Fund's ability to originate or acquire loans and reduce a Fund's liquidity or require a Fund to sell assets at an inopportune time or price.

As described above, in July 2010, the U.S. Congress enacted the Dodd-Frank Act in part to impose significant investment restrictions and capital requirements on banking entities and other organizations that are significant to U.S. financial markets. For instance, the Dodd-Frank Act will impose significant restrictions on the proprietary trading activities of certain banking entities and subject other systemically significant organizations regulated by the U.S. Federal Reserve to increased capital requirements and quantitative limits for engaging in such activities. The Dodd-Frank Act also seeks to reform the asset-backed securitization market (including the mortgage-backed securities market) by requiring the retention of a portion of the credit risk inherent in the pool of securitized assets and by imposing additional registration and disclosure requirements. While the full impact of the Dodd-Frank Act cannot be assessed until all implementing regulations are released, we expect the Dodd-Frank Act's extensive requirements to have a significant effect on the financial markets and to affect the availability or terms of financing from a Fund's lender counterparties and the availability or terms of mortgage-backed securities, both of which would generally have an adverse effect on a Fund's business.

In addition, the U.S. government, Federal Reserve, U.S. Treasury and other governmental and regulatory bodies have taken or are considering taking other actions to address the global financial crisis. RE Finance Trust Management cannot predict whether or when such actions may occur or what effect, if any, such actions could have on a Fund's performance.

Information Disruptions. A Fund's business is highly dependent on the communications and information systems of RE Finance Trust Management as well as third-party providers of systems, software and information. Any failure or interruption of RE Finance Trust Management's or such third party's systems or software could cause delays or other problems in a Fund's trading or other activities, or provide RE Finance Trust Management with incorrect information upon which RE Finance Trust Management may rely to its detriment, each of which could adversely affect a Fund's performance.

Changes in Accounting Practices. Accounting rules for transfers of financial assets, securitization transactions, consolidation of variable interest entities and other aspects of a Fund's anticipated operations are highly complex and involve significant judgment and assumptions. These complexities could lead to a delay in preparation of financial information and the delivery of this information to a Fund's investors. Changes in accounting interpretations or assumptions could impact a Fund's financial statements and a Fund's ability to timely prepare its financial statements.

Co-Investment Vehicles will 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 will likely be subject to additional risks, as described in their respective offering documents.

ITEM 9 – DISCIPLINARY INFORMATION

Not applicable.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

TPG Capital BD, LLC. Our affiliate, TPG BD (CRD no. 143876), is a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA. TPG BD

- places securities and instruments issued by
 - certain private investment funds that we and our related entities manage individually or through our principals; and
 - other entities not related to us or our related entities;
- is expected to participate in underwriting syndicates (including acting as lead underwriter) and/or selling groups with respect to securities and instruments issued by portfolio investments of a TPGRE Vehicle;
- is expected to participate in the arrangement of lines of credit to TPGRE Vehicles, portfolio investments of TPGRE and third-party borrowers;
- participates in the syndication of opportunities to co-invest in portfolio investments alongside certain TPGRE Vehicles and third parties;

- in some cases, is expected to act as a broker in transactions on behalf of TPGRE Vehicles; and
- provides advisory services to portfolio investments of TPGRE Vehicles.

In connection with its involvement in the public or private placement of securities or instruments issued by portfolio investments of TPGRE Vehicles, TPG BD may directly or as part of an underwriting syndicate purchase from such portfolio investments of TPGRE Vehicles the securities or instruments issued.

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

For a description of the fees, commissions and other compensation TPG BD and other affiliates receive in respect of the activities described above, please see Item 5 above.

Other Investment Advisers. The following investment advisers are affiliates of ours with which we have a relationship: TPG Global Advisors, LLC, TPG Capital Advisors, LLC, TPG Opportunities Advisors, LLC, TPG PEP 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 us and our affiliated advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

General Partners of TPGRE Vehicles. Various entities serve as general partners of the TPGRE Vehicles, and are our related persons. For a description of material conflicts of interest created by the relationship among us 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

Code of Ethics

We have adopted a comprehensive Code of Ethics that is applicable to all of our officers and employees, officers and employees of certain independent contractors, certain temporary personnel, and to certain of our affiliates and their officers and employees (collectively, “TPGRE Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations.

TPGRE Personnel and their families and households will from time to time purchase investments for their own accounts, including the same or similar types of investments as may be purchased or sold by a TPGRE Vehicle, subject to the terms of the Code of Ethics. The Code of Ethics generally permits such transactions only if

- the transaction is “pre-cleared” by our Chief Compliance Officer or his/her designee; or
- the transaction is exempt from pre-clearance under the Code of Ethics.

The investment policies, fee arrangements and other circumstances of these personal investments often vary from those of the TPGRE Vehicles. As our officers, principals and employees typically also make investments in or alongside the TPGRE Vehicles, they have conflicting interests with respect to these investments.

Under the Code of Ethics, TPGRE Personnel also are required to file certain periodic reports as required by Rule 204A-1 under the Advisers Act.

We will provide a copy of the Code of Ethics to any TPGRE Vehicle or prospective client upon request.

Participation or Interest in Client Transactions; Related Person Investments

Please see “Conflicts of Interest” below for information regarding circumstances in which we or a related person

- recommends to TPGRE Vehicles, or buys or sells for TPGRE Vehicles’ accounts, securities in which we or a related person has a material financial interest;
- invests in the same securities that we or a related person recommends to TPGRE Vehicles;
- recommends securities to TPGRE Vehicles, or buys or sells securities for TPGRE Vehicle accounts, at or about the same time that we or a related person buys or sells the same securities for our own (or the related person’s own) account; and
- related conflicts of interest.

Conflicts of Interest

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

We have a number of related advisers that focus primarily on different investment strategies (collectively, the “Related Advisers”), although such investment strategies overlap with ours from time to time. We refer to the funds and accounts managed by the Related Advisers as the “Related Funds.”

In the ordinary course of conducting its activities, the interests of a TPGRE Vehicle will from time to time conflict with our interests and those of

- other TPGRE Vehicles;
- Related Funds;
- Related Advisers; and
- the affiliates of the foregoing.

Certain of these conflicts of interest, as well as a description of how we address them, are described below.

We and the Related Advisers, certain employees and affiliates of ours and the Related Advisers, and certain other persons associated with us and executives of current and former portfolio investments of TPGRE Vehicles invest in TPGRE Vehicles, either through their general partners, as limited partners or otherwise, to facilitate participation by such persons in portfolio investments made by TPGRE Vehicles. A TPGRE Vehicle typically will 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

We and the other Related Advisers will deal with all conflicts of interest using our best judgment, but in our sole discretion. When conflicts arise between a TPGRE Vehicle and a Related Fund, we will represent the interests of such TPGRE Vehicle, and the applicable Related Adviser will represent the interests of the Related Fund. In resolving conflicts, we and the other Related Adviser will 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 TPGRE Vehicle and the Related Fund. When conflicts arise between a TPGRE Vehicle and another TPGRE Vehicle, we will resolve the conflict. In doing so, we will consider various factors, including the interests of such TPGRE Vehicle and the other TPGRE Vehicle with respect to the immediate issue and/or with respect to the longer term course of dealing among such vehicles. In the case of all conflicts involving a TPGRE Vehicle, our determination as to which factors are relevant, and the resolution of such conflicts, will be made in our sole discretion.

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

- a TPGRE Vehicle will not make any investment unless we and the TPGRE Vehicle's general partner believe that such investment is an appropriate investment considered solely from the viewpoint of such TPGRE 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 TPGRE Vehicles;

- with respect to certain Funds, the advisory committees for a Fund, whose members are not affiliated with the general partner of the 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 the Fund's general partner in accordance with the relevant Governing Documents;
- with respect to certain TPGRE Vehicles, the board of directors, certain of whose members are not affiliated with us, generally play an important role in resolving conflicts of interest by approving or disapproving decisions (including, when required, by a majority of the members who are not affiliated with us) that involve certain conflicts of interest we refer to it in accordance with the relevant Governing Documents;
- when we deem appropriate in our sole discretion, unaffiliated third-party service providers will 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 TPGRE Vehicle may demonstrate the fairness of the transaction to such TPGRE 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
- in limited circumstances, we 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 a TPGRE Vehicle encounters include those discussed below, although the discussion below does not necessarily describe all of the conflicts that a TPGRE Vehicle potentially faces. Other conflicts are disclosed throughout this brochure; 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 our management of the TPGRE Vehicles, we and/or the TPGRE Vehicles will, in certain limited circumstances, engage in principal transactions, as described more thoroughly below.

Also, from time to time, our affiliates or those of the Related Advisers, who control, are controlled by or are under common control with us, the Related Advisers and/or our respective

affiliates, will provide seed capital to help fund a new Fund. In doing so, we, the Related Advisers and/or our respective affiliates may purchase securities that are later transferred into the Fund in exchange for a percentage ownership in such Fund. We review such transactions with outside counsel to ensure that we comply with the requirements of Section 206(3) of the Advisers Act in respect of principal transactions in the context of such transactions.

We have 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 TPGRE Vehicle regarding any proposed principal transactions, if required by the Advisers Act or applicable law, and the TPGRE Vehicle's prior consent to the transaction be received. In addition, the Governing Documents relating to the TPGRE Vehicles typically contain additional restrictions on our ability or that of the TPGRE Vehicles to engage in principal transactions and disclosures regarding principal transactions that are likely to arise in the activities of TPGRE Vehicles.

Participation of TPG BD in TPGRE Vehicle Transactions

As noted above under “*Item 10 – Other Financial Industry Activities and Affiliations*,” we have an affiliate, TPG BD, which

- places securities and instruments issued by
 - certain private investment funds that we and our related entities manage individually or through our principals; and
 - other entities not related to us or our related entities;
- is expected to participate in underwriting syndicates (including acting as lead underwriter) and/or selling groups with respect to securities and instruments issued by portfolio investments of a TPGRE Vehicle;
- is expected to participate in the arrangement of lines of credit to TPGRE Vehicles, portfolio investments of TPGRE and third-party borrowers;
- participates in the syndication of opportunities to co-invest in portfolio investments alongside certain TPGRE Vehicles and third parties;
- in some cases, is expected to act as a broker in transactions on behalf of TPGRE Vehicles; and
- provides advisory services to portfolio investments of TPGRE Vehicles.

In connection with its involvement in the public or private placement of securities or instruments issued by portfolio investments of TPGRE Vehicles, TPG BD may directly or as part of an underwriting syndicate purchase from such portfolio investments of TPGRE Vehicles the securities or instruments issued.

The relationship we have with TPG BD gives rise to conflicts of interest between us and TPGRE Vehicles that have an interest in any portfolio investment or investment vehicles with respect to which TPG BD provides services. In particular, we have an incentive to seek to influence the decision by a portfolio investment'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 are more appropriate or offer better terms. We could also have an incentive to structure portfolio investment 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 investment or acquisition company established for the relevant transaction and generate commissions, syndication fees, arranging fees or other compensation). TPG BD further has an incentive to cause any underwriting syndicate in which it participates to increase the amount of underwriting fees charged to a TPGRE Vehicle or its portfolio investment.

TPG BD from time to time acts as placement agent in respect of investment funds that are sponsored and managed by third-party investment managers, including funds that may compete with TPGRE 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 investment or TPGRE Vehicles.

We generally will evaluate any such transactions on a case-by-case basis to address any such conflicts. Transactions involving a TPGRE Vehicle and TPG BD are also reviewed with regard to the appropriateness of the transaction and any fiduciary obligations. In addition, we review 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 TPGRE Vehicle and us and our affiliates (including TPG BD) are complied with in the context of such transactions.

For a description of the fees, commissions and other compensation TPG BD and other affiliates receive in respect of the activities described above, please see Item 5 above.

Third-Party Placement Agents

We from time to time enter into arrangements with third parties to raise capital for a TPGRE Vehicle. Such placement agents typically receive a flat fee or in some cases a percentage of the investments they bring to the respective Fund. We generally bear such fees instead of the TPGRE 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 TPGRE Vehicle Transactions

As described above in response to Item 5, we and our affiliates from time to time receive financial consulting, advisory, monitoring and broker-dealer fees and other compensation for services provided to portfolio investments of TPGRE Vehicles. Such parties will in certain instances also receive accelerated monitoring fees (in connection with an initial public offering

or strategic exit, for example), “break-up” fees, loan servicing fees, special servicing fees, administrative fees and other compensation with respect to TPGRE Vehicle portfolio investments (including unconsummated or terminated transactions).

We and our affiliates have additional financial and other interests in TPGRE Vehicles as described in further detail below.

Allocation of Investment Opportunities

We and our related entities engage in a broad range of activities, including investment activities for our 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 these activities, investment opportunities will arise that fall within the investment objectives or strategies of two or more TPGRE Vehicles or Related Funds. We therefore expect to encounter situations in which we must determine how to allocate investment opportunities among various TPGRE Vehicles and other persons, which typically include the following:

- the Funds and Related Funds;
- any parallel investment entities 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 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 Co-Investment Vehicles 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 TPGRE Vehicles typically include individuals and entities that are also investors in one or more Funds (which we refer to collectively as “TPGRE Investors”) and/or individuals and entities that are not investors in any Funds (which we refer to collectively as “Third Parties”);
- TPGRE 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 TPGRE Vehicles in particular transactions entered into by such TPGRE Vehicles; and
- TPGRE Investors and/or Third Parties acting as “co-sponsors” with us with respect to a particular transaction.

In addition, we expect to establish in the future one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current TPGRE Vehicles, including additional hedge funds, collateralized loan obligation issuers, emerging market funds and other regional or industry-focused vehicles.

For each such TPGRE Vehicle or other person discussed above, subject to applicable legal, contractual or similar restrictions, we generally decide, in our sole discretion, whether we or a

related person will charge any fees or receive any performance-based compensation or allocations in connection with such investment opportunities.

The TPGRE Vehicles are generally subject to investment allocation requirements, such as obligation to offer provisions, that we refer to collectively as “Investment Allocation Requirements.” Investment Allocation Requirements typically are set forth in the Governing Documents of the TPGRE Vehicles. To the extent the Investment Allocation Requirements of a TPGRE Vehicle do not include specific allocation procedures and/or do allow our discretion in making allocation decisions among the TPGRE Vehicles and Related Funds, we generally will follow the process set forth below.

TPG and its affiliates, including us and the general partner of any TPGRE Vehicle will, from time to time, be presented with investment opportunities that fall within the investment objectives of both the TPGRE Vehicles and the Related Funds. For example, a TPGRE Vehicle may be presented with real estate credit investments that overlap with the types of investments pursued by other Related Funds, particularly funds, pools and separate accounts sponsored by TPG Special Situations Partners. Similarly, TPGRE Vehicles may pursue investments that include both operating businesses appropriate for funds advised by TPG Capital Advisors, LLC and real estate investments, such as a grocery chain with large real estate holdings.

To address situations when the investment interests of multiple funds overlap, we have established an Allocation Committee to determine to which fund or funds we allocate a particular opportunity. The Allocation Committee consists of senior TPG professionals generally with firm-wide positions. In making an allocation, we first determine whether the Investment Allocation Requirements compel us to offer an investment opportunity to a Fund or Related Fund. This typically has resulted in a single Fund or Related Fund being the obvious allocation choice. However, on occasion the Investment Allocation Requirements will not be determinative. In these cases, we, through the Allocation Committee, generally assess whether an investment opportunity is appropriate for a particular Fund or Related Fund based on the Fund’s or Related Funds investment objectives, strategies and structure, as reflected in its Governing Documents.

Once the Funds or Related Funds that may participate in an investment opportunity have been identified, we, in our discretion, decide how to allocate such investment opportunity among the identified funds. The Allocation Committee will allocate the investment opportunity in accordance with its allocation principles, which reflect considerations that it determines in good faith to be fair and reasonable, such as

- the nature of the investment focus of the relevant Fund or Related Fund;
- the professionals who sourced the investment opportunity;
- the professionals who are expected to oversee and monitor the investment;
- the expected amount of capital required to make the investment as well as the relevant Fund’s or Related Fund’s current and projected capacity for investing (including for any potential follow-on investments);

- the relevant Fund's or Related Fund's targeted rate of return and investment holding period;
- the stage of development of the prospective portfolio investment;
- the existing portfolio of investments of the relevant Fund or Related Fund;
- the investment opportunity's risk profile;
- the expected life cycle of the relevant Fund or Related Fund;
- any investment targets or restrictions (e.g., industry, size, etc.) for the relevant Fund or Related Fund;
- the ability of the relevant Fund or Related Fund to accommodate structural, timing and other aspects of the investment process; and
- legal, tax, contractual, regulatory or other considerations the Allocation Committee deems relevant.

The relevance of each of these criteria will vary from investment opportunity to investment opportunity, with no single factor consistently outweighing the others. In areas where the investment objectives of funds regularly overlap, while the facts and circumstances of each allocation decision will be determinative, our allocation process generally affords prior decisions precedential value.

The application of our allocation principles is a fact-intensive exercise. While we base our allocation decisions on the information available to us at the time, this information may prove in retrospect to be incomplete or otherwise flawed. Furthermore, the weight we ascribe certain considerations will evolve over time in response to, among other things, changes in market conditions, the competition we face for investments and the mix of opportunities available to our funds.

Expenses incurred in connection with transactions that are consummated are allocated to the relevant Funds or Related Funds in accordance with the overall allocation decision.

In making an allocation decision, additional conflicts of interest will arise. Specifically, because the Funds and Related Funds have different fee, expense and compensation structures, we have an incentive to allocate an investment opportunity to the Fund or Related Fund that would generate a higher fee, more compensation or a better return. In addition, our professionals will generally participate indirectly in investments made by TPGRE Vehicles in which they invest, pro-rata, in accordance with their respective capital accounts.

Allocation of Co-Investment Opportunities

From time to time, we have the option to offer one or more TPGRE Investors, Co-Investment Vehicles, investors in Related Funds or Third Parties the opportunity to invest alongside a Fund, or "co-invest," in an investment the Fund is making. This situation generally arises when the

amount of equity capital necessary to complete a transaction exceeds the amount we determine is appropriate for the Fund, after taking into account additional capital to be contributed by other Funds and any co-underwriters, co-sponsors or other parties or consultants that assisted in sourcing or completing the transaction. We will offer co-investments pursuant to the procedures included in such Funds' Governing Documents and as set forth in the following paragraphs.

Subject to any restrictions contained in the Governing Documents of the relevant TPGRE Vehicle or any side-letter or other terms negotiated with respect to such TPGRE Vehicle, in general we have complete discretion to determine to whom we will offer and award co-investment opportunities. In particular,

- we may give a co-investment opportunity to TPGRE Investors, Co-Investment Vehicles, investors in Related Funds or other Third Parties;
- we are under no obligation to offer to TPGRE Investors any co-investment opportunities;
- we may offer co-investment opportunities to some TPGRE Investors but not all of them;
- allocations of co-investment opportunities between TPGRE Investors may not correspond to their pro rata interests in the relevant TPGRE Vehicle; and
- non-binding acknowledgments of interest in co-investment opportunities are not Investment Allocation Requirements and do not require us to notify the recipients of such acknowledgments if there is a co-investment opportunity.

While the criteria we use in making discretionary co-investment decisions vary from opportunity to opportunity, the most important factors are:

- certainty of funding—that is, whether the potential co-investor has the financial resources to provide the requisite capital in a timely fashion;
- certainty of execution—that is, the sophistication and experience of the potential co-investor and its ability to promptly respond to and complete a co-investment opportunity;
- the size of the potential co-investor's commitment to TPGRE Vehicles and/or Related Funds and the anticipated importance of the potential co-investor to future fundraising efforts;
- the ability of the potential co-investor to make a meaningful contribution to the transaction, such as in sourcing or completing the transaction or providing operational skills or insight; and
- the overall strategic benefit of offering a co-investment opportunity to the potential co-investor.

Other criteria that will from time to time be relevant include:

- the expertise of the potential co-investor with respect to the geographic location or business activities or industry of the prospective investment;
- the investment objectives and existing portfolio of the potential co-investor;
- the legal or regulatory constraints to which the proposed investment is expected to give rise;
- the reporting, public relations, competitive, confidentiality or other issues that also arise as a result of the co-investment; and
- any other facts or circumstances that we deem appropriate or relevant.

We expect that these factors will naturally lead us to favor some TPGRE Investors and other potential co-investors over others with respect to the frequency with which we offer them co-investment opportunities.

Our exercise of our 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 will likely be more or less advantageous to some such persons relative to other such persons. In addition, co-investments will not necessarily be made on the same terms as the Fund's investment in the portfolio investment. For example, co-investors may either purchase their interests in a portfolio investment at the same time as the TPGRE Vehicles or purchase their interests from the applicable TPGRE Vehicles after such TPGRE Vehicles have consummated their investment in the portfolio investment (also known as a post-closing sell down or transfer). Co-investors also generally pay no advisory fees or carried interest in connection with the co-investment, or pay them at a lower rate than the Fund or Funds with which they are co-investing. Moreover, TPGRE Investors and other Third Parties approached as potential co-investors generally do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which the Fund is throughout the investment process.

In the event that we determine to offer an investment opportunity to co-investors, there can be no assurance that we will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for a Fund or that expenses incurred by a Fund with respect to the syndication of the co-investment will not be substantial. In the event that we are not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, a Fund will consequently hold a greater concentration and have exposure in the related investment opportunity than was intended, which could make such vehicle more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Fund which is not syndicated to co-investors as anticipated could significantly reduce the Fund's overall investment returns.

We also from time to time enter into arrangements with respect to co-investment opportunities with third-party advisers or consultants, who provide us with deal sourcing services or other information on investment opportunities. We will allocate such investment opportunities, and fees and expenses in connection with such investment opportunities, in the same way we otherwise allocate opportunities and fees and expenses.

In addition, certain TPGRE Personnel may make, directly or indirectly, co-investments in transactions in which a TPGRE Vehicle is also making an investment. Any such co-investment would be subject to pre-clearance in accordance with our Code of Ethics.

Allocation of Fees and Expenses for Broken Deals

We employ the same procedures and principles as described above under “*Allocation of Investment Opportunities*” when allocating fees and expenses incurred in connection with “broken deals,” or potential investments that we actively consider but do not consummate. That is, fee and expense allocation decisions are made while a transaction is pending based on our best judgment of which TPGRE Vehicle or Vehicles and/or Related Fund or Funds will ultimately be allocated the transaction. When an opportunity is terminated, absent a factual development to the contrary, the fees and expenses for such transaction will be allocated to such Fund or Funds and/or Related Fund or Funds. The allocations of such expenses may not be proportional. For example, to the extent one or more Related Funds were involved in a broken deal with one or more TPGRE Vehicles, the fact that the Related Funds often have different expense reimbursement terms, including with respect to advisory fee and similar offsets, could result in the TPGRE Vehicles bearing different levels of expenses with respect to the same investment.

The financial position of the relevant TPGRE Vehicle and/or Related Fund gives us an incentive to allocate such fees and expenses to one such Vehicle or Fund and not another. For example, it would be advantageous to allocate broken deal fees and expenses to a TPGRE Vehicle and/or Related Fund that is not expected to pay carried interest to its general partner, as the fees and expenses would not affect the amount of carried interest paid—it would be zero in any case. Conversely, it would be disadvantageous as an economic matter to allocate broken deal fees and expenses to a TPGRE Vehicle and/or Related Fund that is paying carried interest, as doing so would delay or reduce the amount of carried interest paid to the relevant general partner.

There are occasions when one TPGRE Vehicle (the “Payor Fund”) is liable for or pays an expense common to or on behalf of multiple TPGRE Vehicles and/or Related Funds (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, 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.

We will generally allocate fees and expenses to be split between us and the TPGRE Vehicles and/or portfolio investments (including fees and expenses incurred in the offering of the TPGRE Vehicle, management of the TPGRE Vehicle, and investment opportunities), in each case in accordance with the TPGRE Vehicle’s Governing Documents. To the extent not addressed in

such documents or agreements, we generally will allocate such fees and expenses in our sole discretion, in each case using good faith and our best judgment. Because certain expenses are paid for by a TPGRE Vehicle and/or its portfolio investments or, if incurred by us, are reimbursed by a TPGRE Vehicle and/or its portfolio investments, we will not necessarily seek out the lowest cost options when incurring (or causing a TPGRE Vehicle or its portfolio investments to incur) such expenses.

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

Please see "Resolution of Conflicts" above for a description of the means by which we and our related persons may seek to alleviate conflicts of interest among the TPGRE Vehicles or other accounts or persons.

Allocation of Secondary Transfer Opportunities

To the extent we have discretion over a secondary transfer of interests in a TPGRE Vehicle pursuant to such TPGRE Vehicle's Governing Documents, we will consider the factors listed above under "*Allocation of Co-Investment Opportunities*" in exercising such discretion. Subject to any restrictions in the Governing Documents of the applicable TPGRE Vehicle, we or our related persons may be asked to identify a limited number of TPGRE Investors or Third Parties to potentially acquire the interest being transferred.

Conflicts Related to Transactions with Other TPGRE Vehicles or Related Funds

In certain rare instances, we may cause a TPGRE Vehicle to purchase investments from another TPGRE Vehicle or a Related Fund, or we may cause a TPGRE Vehicle to sell investments to another TPGRE Vehicle or a Related Fund. In connection with such transactions, we, the Related Advisers and/or our professionals may

- have significant investments or intentions to invest in the TPGRE Vehicle or a Related Fund that is selling and/or purchasing such an investment; or
- otherwise have a direct or indirect interest in the investment (such as through certain other participations in the underlying investment).

We and the Related Advisers may receive management or other fees in connection with our management of the relevant TPGRE 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 TPGRE Vehicles and/or Related Funds. We, the Related Advisers and our professionals may be presented with certain conflicts of interest in effecting these transactions. To address these conflicts of interest, we will cause a TPGRE Vehicle to engage in such transactions only if we determine that the terms and conditions of such transaction are substantially as advantageous to such TPGRE Vehicle as the terms it would obtain in a comparable arm's-length transaction with a third party. For additional information

regarding transactions between TPGRE Vehicles, including a discussion of related conflicts of interest, please see Item 12, under “Cross Transactions.”

Conflicts Related to Transactions Alongside Other TPGRE Vehicles or Related Funds

From time to time, a TPGRE Vehicle and one or more other TPGRE Vehicles or Related Funds participate in the same investment. While we anticipate that such Vehicles and/or Funds would generally make any such investment on the same general terms, differences in the timing or manner of the investments could cause them to be made at different effective prices or with differing costs or other terms. For example, a Related Fund may invest in the publicly traded securities of a TPGRE Vehicle portfolio investment, including by purchasing these securities in an initial public offering or a secondary offering by the TPGRE Vehicle. The Related Fund’s view of the investment and its interests may diverge from those of the TPGRE Vehicle. This could cause the Related Fund to dispose of, increase its exposure to or continue to hold the investment at a time when the TPGRE Vehicle has adopted a different strategy. As a result, the actions of the Related Fund could affect the value of the TPGRE Vehicle’s investment. For example, a sale by the Related Fund of its investment could put downward pressure on the value of the TPGRE Vehicle’s interest, which the TPGRE Vehicle has opted to hold longer term. The Related Fund is under no obligation to act in a way that furthers or protects the interests of the TPGRE Vehicle. In addition, there can be no assurance that the return on a TPGRE Vehicle’s investments will be the same as the returns obtained by other TPGRE Vehicles or Related Funds participating in a given transaction.

A TPGRE Vehicle will from time to time invest in opportunities that other TPGRE Vehicles or Related Funds have declined, and likewise, a TPGRE Vehicle will from time to time decline to invest in opportunities in which other TPGRE Vehicle or Related Funds have invested.

Our employees and related persons and those of the other Related Advisers have made, and expect in the future to make, capital investments in or alongside certain TPGRE Vehicles or Related Funds, or in prospective portfolio investments directly or indirectly, and therefore have additional conflicting interests in connection with these investments.

Conflicts Related to Investing in Different Levels of the Capital Structure

The TPGRE Vehicles and Related Funds invest in a broad range of asset classes throughout the corporate capital structure, including loans and debt securities, preferred equity securities and common equity securities. Although we do not intend to cause a TPGRE Vehicle to hold an interest in one part of a company’s capital structure while another TPGRE Vehicle or Related Fund holds an interest in another, such a scenario is possible. Decisions taken by the other TPGRE Vehicle or Related Fund in these circumstances to further its interests may be adverse to the interests of the TPGRE Vehicle.

For example, a TPGRE Vehicle could acquire a significant equity stake in a company whose debt securities are already held by a Related Fund. As a creditor of the company, the Related Fund could take actions, consistent with its obligations to maximize the return to its investors, with respect to its status as a creditor that would be adverse to the interests of the TPGRE Vehicle as a holder of more junior securities. The Related Fund, for instance, could cause the

acceleration of the portfolio investment's debt or exercise other rights it has that could precipitate a sharp decline in the value of the equity held by the TPGRE Vehicle. The Related Fund would be under no obligation to take any action or refrain from taking any action to prevent or mitigate any losses by the TPGRE Vehicle.

Conflicts may arise in determining the terms of investments, especially when we and/or other Related Advisers control the structure of a transaction and its capitalization. For example, if a Related Fund is investing in debt securities, it would 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 TPGRE Vehicle, as an equity owner, would desire. In addition, a TPGRE Vehicle may participate in releveraging and recapitalization transactions involving portfolio investments in which other TPGRE 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. Investments by more than one of our clients in a portfolio investment also raise the risk of using assets of one of our clients to support positions taken by other clients of ours. While expected to be very infrequent, similar conflicts could arise to the extent that TPG BD holds securities of a portfolio investment.

We from time to time in our sole discretion provide the Related Adviser of any such Related Funds certain information about a TPGRE Vehicle's investment portfolio. As a condition of receiving such information, the Related Adviser generally must agree that it will not disclose such information to any other person.

Conflicts Related to Other Investments by TPGRE Vehicles and Related Funds

A TPGRE Vehicle or a Related Fund occasionally invests in a company that competes with, is a customer of or a service provider or supplier to a portfolio investment of another TPGRE Vehicle. In addition, TPGRE Personnel may serve as directors, or otherwise be associated with, companies that are competitors of portfolio investments of certain TPGRE Vehicles. These circumstances would give rise to certain conflicts of interest. First, another fund or its portfolio investment may take actions for commercial reasons that have adverse consequences for the TPGRE Vehicle or its portfolio investment, such as seeking to increase its market share at the TPGRE Vehicle portfolio investment's expense (as a competitor), withdrawing business from the TPGRE Vehicle portfolio investment in favor of a competitor that offers the same product or service at a more competitive price (as a customer), increasing prices in lock-step with other enterprises in the industry (as a supplier) or commencing litigation against the TPGRE Vehicle portfolio investment (in any capacity). Secondly, a TPGRE Vehicle or a Related Fund could obtain information while dealing with its portfolio investments that it is prohibited from acting on or disclosing to another TPGRE Vehicle or its portfolio investment as a result of confidentiality requirements or applicable law, even though such action or disclosure would be in the latter's interests. In addition, to the extent not restricted by confidentiality requirements, we will generally apply the experience obtained by advising the TPGRE Vehicles to benefit Related Funds. Related Advisers are under no obligation to take into account the TPGRE Vehicles' interests in advising their portfolio investments.

Conflicts Arising from Other Investment Activities of the TPGRE Vehicles and Related Funds – Possession of Material Non-Public Information

The TPGRE Vehicles and Related Funds regularly obtain confidential information regarding various target companies and other investment opportunities. Since we do not currently maintain information barriers among most of these businesses, we impute confidential information received by one investment team to all other investment professionals that are not behind an information barrier, which as a general matter includes all of the personnel who make investments for the TPGRE Vehicles. If a TPGRE Vehicle or Related Fund receives confidential information with respect to a company, the other TPGRE Vehicles therefore face, as a result of securities law prohibitions on trading on the basis of material nonpublic information, certain restrictions on their ability to pursue a transaction with that company or dispose of an investment. Moreover, the confidentiality agreements entered into on behalf of the TPGRE Vehicles and Related Funds often include provisions, such as “standstills,” that would prevent the TPGRE Vehicles from acquiring or disposing of certain investments, potentially for extended periods.

We determine, in limited circumstances, to erect temporary information barriers to restrict the transfer of confidential information with respect to certain investments between Related Funds and TPGRE Vehicles to avoid the restrictions described in the preceding paragraph with respect to such companies. In such instances, however, a TPGRE Vehicle’s ability to benefit from our expertise outside it will be limited. In addition, in the event that a temporary information barrier is breached, even if inadvertently, the TPGRE Vehicles will face the same restrictions on their investment activities as they would have faced had the temporary information barrier not have been established in the first place.

Conflicts Arising from Other Investment Activities of the TPGRE Vehicles and Related Funds – Certain Bankruptcy Implications

TPGRE Vehicles and/or the Related Funds will in certain instances own a significant or controlling percentage of the common equity of portfolio investments which, depending upon the amount of equity owned by them, any relevant contractual arrangements between such portfolio investment 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 TPGRE 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 TPGRE Vehicles and the Related Funds will typically be deemed to control, participate in the management of or influence the conduct of portfolio investments. The effect of these relationships will vary from jurisdiction to jurisdiction. These factors could expose the assets of a TPGRE Vehicle to claims by a portfolio investment, its security holders, its creditors or governmental agencies.

If a TPGRE Vehicle purchases in the secondary market at a discount debt securities of a company in which a TPGRE Vehicle has, for example, a substantial equity interest, (i) a court might require a TPGRE 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 (ii) a

TPGRE 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.

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

Conflicts Arising from Other Investment Activities of the TPGRE Vehicles and Related Funds – Other Securities Law Implications

Most investments by a TPGRE Vehicle consist of securities that are subject to restrictions on resale because they were acquired in a “private placement” transaction or because the TPGRE Vehicle is deemed to be an affiliate of the issuer of such securities. Generally, the TPGRE 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, the TPGRE 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.

TPGRE Vehicles directly or indirectly control or are under common control with issuers of securities held by such TPGRE Vehicles that were issued under an indenture qualified under the Trust Indenture Act of 1939, especially when another TPGRE Vehicle or a Related Fund is deemed to control the issuer of the securities. In such cases, the securities held by a TPGRE 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.

Conflicts Arising in the Allocation of Our Professionals’ Time and Attention

The success of each TPGRE Vehicle will depend substantially on our investment professionals’ ability to, among other things, source and complete investments, improve the operations and performance of the investments and assets we acquire and exit investments at the appropriate time and at attractive valuations. To achieve those ends, our investment professionals will devote such time and resources to each TPGRE Vehicle’s activities as we determine to be appropriate. Our professionals, however, also spend time assisting other TPGRE Vehicles and/or Related Funds with their investment activities or working on other projects. Conflicts therefore arise between the TPGRE Vehicles and/or Related Funds with respect to the allocation of investment professional time and resources.

Conflicts Arising from Customized Terms provided Certain Investors

We and our related entities routinely enter into side letter agreements with certain investors in the TPGRE Vehicles (or establish separate accounts) providing such investors with customized terms, which often results in preferential treatment, with respect to, among other things,

- the fee structure, including reduced management fees and/or carried interest;

- the offering of co-investment opportunities;
- the ability to opt out of certain types of investments;
- the reporting obligations of the applicable TPGRE Vehicle;
- consent rights with respect to certain amendments to documents that govern their rights and obligations and those of the applicable TPGRE Vehicle;
- the right to transfer interests in the applicable TPGRE Vehicle;
- the right to withdraw from the applicable TPGRE Vehicle in the event of adverse tax or regulatory events;
- the right to appoint a representative to the advisory committee of the applicable TPGRE Vehicle, if applicable;
- additional confidentiality protections;
- the right to disclose certain information to underlying investors or to the public;
- structuring rights with respect to certain types of investments; or
- any other terms, whether economic, procedural or otherwise.

We will consider many factors in deciding whether to accord investors in TPGRE Vehicles customized terms via a side letter and expect to grant preferential treatment to the following types of investors:

- investors that have made or have proposed to make relatively large commitments to the TPGRE Vehicle or Related Funds or that are anticipated to be important to future fundraising efforts;
- investors that are subject to specific legal, tax or regulatory status or other requirements or policies applicable to them; and
- other investors meeting other criteria we consider reasonable in our discretion.

We and our related entities have no obligation to offer any such additional rights, terms or conditions to any other investor in such TPGRE Vehicles, except to the extent required by the Governing Documents of the applicable TPGRE Vehicle. Once invested in a TPGRE Vehicle, investors generally cannot impose additional investment guidelines or restrictions on the TPGRE Vehicle.

Conflicts Arising in Relation to Certain Borrowing Arrangements

The TPGRE Vehicles may enter into borrowing arrangements that require the TPGRE Vehicles to be jointly and severally liable for the obligations. If one TPGRE Vehicle defaults on such

arrangement, the TPGRE Vehicles could be held responsible for the defaulted amount. The TPGRE Vehicles will only enter into such joint and several borrowing arrangement when we determine it is in the best interests of the TPGRE Vehicles.

Conflicts Related to the Valuation of Assets

We generally determine, in our discretion, the fair value of each TPGRE Vehicle's assets. While we follow rigorous valuation methodologies and procedures that are designed to ensure that our fair value determinations are strictly the product of the application of U.S. generally accepted accounting principles (in particular, Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements), we have incentives to arrive at higher valuations. First, when we determine that the fair value of an investment by certain TPGRE Vehicles is less than the capital contributions made with respect to it, we are obligated under the relevant Governing Documents to write down the asset, and the TPGRE Vehicle would need to receive proceeds in the amount of the write down, among other amounts, before its general partner could begin to receive carried interest. Conversely, a decision not to write down an investment would avoid this negative impact on the amount of carried interest due the general partner. Second, we regularly report to investors in the TPGRE Vehicles, prospective investors and the investor community more generally metrics of the TPGRE Vehicles' performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the TPGRE Vehicles' investments, including unrealized investments. These reports are an indication of the overall health of the TPGRE Vehicles and are important to our efforts to attract investors to TPGRE Vehicles and Related Funds. An objective of our valuation methodologies and procedures is to eliminate any influence these incentives may have on our fair value determinations.

Our valuations will be based to a large extent on our estimates, comparisons and qualitative evaluations of private information, which may be incomplete or inaccurate. Third parties therefore may not be able to replicate our methodology or to value accurately the TPGRE Vehicles' investments. The amount of judgment and discretion inherent in valuing assets renders valuations uncertain and susceptible to material fluctuations over possibly short periods of time; substantial write-downs and earnings volatility are possible. Our determination of an investment's fair value may differ materially from the value that would have been determined if a ready market for the securities had existed and the valuations the managers of other funds or other third parties ascribe to the same investment. Our valuation of an investment at a measurement date may also differ materially from the value that is obtained upon the investment's exit.

Fee Structure and Carried Interest

Certain TPGRE Vehicles have fixed investment periods after which capital is only permitted to be drawn down in limited circumstances, and management fees are, at certain times during the life of those TPGRE Vehicles, based upon capital invested by the TPGRE Vehicles. This fee structure creates an incentive to deploy capital when we would not otherwise have done so.

Because the amount of carried interest generally payable to the general partner of certain TPGRE Vehicles depends on the TPGRE Vehicle's performance, we have an incentive to approve and

cause the TPGRE Vehicles to make more speculative investments than they would otherwise make in the absence of such performance-based compensation. We also have an incentive to dispose of a TPGRE Vehicle's investments at a time and in a sequence that would generate the most carried interest, even if it would not be in the TPGRE Vehicle's interest to dispose of the investments in that manner.

Conflicts Relating to Services Provided by Related Persons

From time to time we, in our discretion, contract with related persons (including but not limited to a portfolio investment of a TPGRE Vehicle or a family member of TPGRE Personnel) to perform services (including but not limited to brokerage services) for us in connection with our provision of services to the TPGRE Vehicles. When engaging a related person to provide such services, we will generally have a financial, personal or other business incentive to recommend the related person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

From time to time we, in our discretion, recommend to a TPGRE Vehicle or one of its portfolio investments that it contract for services or, in providing services to a TPGRE Vehicle, directly engage with

- a related person of ours (including but not limited to a portfolio investment of a TPGRE Vehicle);
- an entity or person with which or whom we or TPGRE Personnel has a relationship or from which or whom we or TPGRE Personnel otherwise derives financial, personal or other benefit.

When making such a recommendation, it is possible that we or TPGRE Personnel, because of our 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.

Related Services

As described in Item 5 above, we will often perform Related Services for, and, consistent with the Governing Documents of the TPGRE Vehicle, will receive fees or reimbursements from, actual or prospective portfolio investments or other investment vehicles of the TPGRE Vehicles. Such fees will be in addition to any management fees or carried interest the TPGRE Vehicles pay us. This creates a conflict of interest between ourselves and the TPGRE Vehicles and their investors because the amounts of these fees and reimbursements are often substantial and the TPGRE Vehicles and, except in connection with the reductions described below, their investors generally do not have an interest in these fees and reimbursements. We generally determine the amount of these fees for Related Services and reimbursements in our own discretion, subject to agreements with sellers, buyers, management teams, the board of directors of or lenders to portfolio investments, and/or third-party co-investors in its transactions. There are also circumstances (such as the occurrence of an exit transaction such as a sale or initial public offering) that will accelerate the payment of such fees. Because the agreements with portfolio

investments providing for such fees typically have prolonged terms (often or subject to automatic extensions and renewal), the effect of such acceleration is often substantial, particularly in the event such circumstances occur early in the life of the TPGRE Vehicle's investment in such portfolio investment. The amount of such fees and reimbursements may not (except in connection with the reductions described below) be disclosed to investors in the TPGRE Vehicles.

Although these fees for Related Services are in addition to the management fees, we will in many circumstances be obligated to reduce the amount of management fees paid by the applicable TPGRE 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 TPGRE Vehicles and is generally set forth in the Governing Documents of the applicable TPGRE Vehicle. Entities other than TPGRE Vehicles that participate in investments alongside the TPGRE Vehicles (such as entities through which we and certain of our employees and affiliates invest alongside the TPGRE Vehicles) often have a right to share in such fees, and management 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 investment. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio investment. Furthermore, a TPGRE 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 TPGRE Vehicles do not pay management fees (e.g., certain Co-Investment Vehicles), or do not have offset provisions requiring the reduction of management fees, any such reduction will not benefit such TPGRE Vehicles.

Diverse Membership

The investors in a TPGRE Vehicle will be subject to different legal, tax and regulatory regimes. For example, investors generally will include taxable and tax-exempt entities and will be organized in various jurisdictions. The nature and diversification of the TPGRE Vehicle's investments, as well as the manner in which it makes, structures, holds and exits them, may therefore lead to a more favorable legal, tax or regulatory outcome for some of its investors. In selecting investments appropriate for the TPGRE Vehicle, we will consider the investment objectives of the TPGRE Vehicle as a whole, not the investment objectives of any of its investors individually. To the extent we are able to structure certain investments based in part on the investors' respective legal, tax and regulatory constraints, we will not take into account such interests as they relate to each individual investor.

While the TPGRE Vehicles will generally have tax-exempt, taxable, foreign and other investors, most members of the general partners of the TPGRE Vehicles are taxable at individual U.S. rates. Potential conflicts exist between the members of the general partners and the TPGRE Vehicles' investors with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests. 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.

Conflicts Arising from Interests of Our Professionals in the TPGRE Vehicles and Related Funds

Our professionals generally participate indirectly in investments made by the TPGRE Vehicles and/or Related Funds. While we believe this generally aligns the interests of our professionals with those of the TPGRE Vehicles' and Related Funds' other investors and provides a strong incentive to enhance Fund performance, these arrangements also give rise to conflicts of interest. For example, our professionals have an incentive to influence the allocation of an attractive investment opportunity to the Fund in which they stand to personally earn the greatest return. Some of our professionals also have personal investments in entities that are not affiliated with us, which also gives rise to conflicts of interest. Our investment review process involves a substantial number of persons, which we believe mitigates the ability of any person to control an investment decision in such case. Additionally, our Code of Ethics requires TPGRE Personnel to disclose such ownership interests periodically.

Conflicts Arising from Service by Our Professionals on Portfolio Investment Boards of Directors

Our professionals will from time to time serve on the boards of directors of TPGRE Vehicles' portfolio investments by virtue of the governance agreements we typically negotiate with portfolio investments at the time we make an investment. While the interests of a TPGRE Vehicle as a shareholder in a portfolio investment generally align with the interests of shareholders more broadly, it is possible that our professionals' fiduciary duties to the portfolio investment and its shareholders as a director will conflict with the interests of the TPGRE Vehicle.

Conflicts Arising from Business with Portfolio Investments

Given the collaborative nature of our business (and the business of our affiliates) and the portfolio investments in which some TPGRE Vehicles (or Related Funds) have invested, we (or Related Funds) from time to time recommend services of one portfolio investment of a TPGRE Vehicle or Related Fund to other portfolio investments. We have a conflict of interest in making such recommendations, in that we have an incentive to maintain goodwill between ourselves and the existing and prospective portfolio investments for the TPGRE Vehicles or Related Funds, while it is possible that the products or services recommended are not necessarily the best available to the portfolio investments held by the TPGRE Vehicles or the most favorably priced.

From time to time we, in our discretion, cause the TPGRE Vehicles and/or certain of their portfolio investments to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of ours or a Related Adviser. The TPGRE Vehicles and/or their portfolio investments would bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there exists a conflict of interest between ourselves and the TPGRE Vehicles (or their portfolio investments) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that we will 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. Portfolio investments of TPGRE Vehicles also could be counterparties or participants in agreements, transactions or other arrangements with portfolio investments of other TPGRE Vehicles that

involve fees and/or servicing payments to us or our affiliates which are not subject to management fee offsets or otherwise shared with the relevant TPGRE Vehicles.

In addition, portfolio investments of TPGRE Vehicles or Related Funds, from time to time, make discounts and other benefits available to TPGRE Personnel in connection with products or services offered by such companies.

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

Conflicts Arising from Business with Certain Investors

We have service providers, including for example, investment bankers and outside legal counsel, who are investors in TPGRE Vehicles and/or who provide services to businesses that are our competitors. We have a conflict of interest with the TPGRE 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 TPGRE Vehicles or Related Funds or will provide us or TPG information about our competitors. There is a possibility that we, because of such belief or for other reasons, will favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

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

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

It is possible that we exercise our discretion to enter into transactions with investors in one or more TPGRE Vehicles to dispose of all or a portion of certain investments. In exercising our discretion to select the purchaser(s) of such investments, we will consider some or all of the factors listed above under "Allocation of Co-Investment Opportunities." The sales price for such transactions will be mutually agreed to by us and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by us. Although we are not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, we will first determine that such transaction is in the best interests of the applicable TPGRE Vehicles, taking into account the sale price and the other terms 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 TPGRE Vehicles. Any such transactions will comply with the Governing Documents of the applicable TPGRE Vehicles.

Real Estate Service Providers

We provide operational support, regulatory or legal support, specialized operations and consulting services and similar or related services to one or more portfolio investments in connection with the identification, acquisition, holding and disposition of investments, either through our or our affiliates' professionals and employees (such as members of the TPG Operating Group), or through the retention of other companies and individuals, which include our affiliates or portfolio investments of other TPGRE Vehicles or Related Funds, to provide such support and services. We refer to such services as "Real Estate Services" and to the individuals and companies that provide them as "Real Estate Service Providers." These services include, for example, support regarding

- the investment's management (including serving in management positions or participating in the determination of corporate strategy);
- the investment's supply chain (including leveraged procurement and logistics/distribution networks);
- marketing and sales strategy, pricing and sales force effectiveness;
- data intelligence;
- finance (including generating metrics and reporting and business restructuring);
- human capital management (including recruiting personnel, management on-boarding and determining executive/incentive compensation);
- information technology;
- corporate communications and public relations;
- governmental affairs and relations;
- customer service;
- sustainability (including target setting and strategy, policy and reporting development);
- property management, development and other real estate matters; and
- other similar operational matters.

Occasionally, whether a service constitutes a Real Estate Service is not clear. In these instances, we will consider, in our sole discretion, a service a Real Estate Service if third parties often provide such services to companies, it relates to a field level project (as opposed to a recurring corporate need) and is performed by an individual or individuals with the relevant expertise. Our

professionals or those of our affiliates are engaged to provide Real Estate Services when we believe that they will provide more cost-effective assistance than independent service providers would offer.

As noted in Item 5, portfolio investments and/or the TOP Vehicle will reimburse the costs and expenses associated with Real Estate Services (“Real Estate Services Expenses”). Such reimbursements for Specialized Operational Services will not reduce the advisory fees charged to Capital Advisors Vehicles, whether or not the Specialized Operational Services Expense is incurred in connection with a Specialized Operational Services Provider who is our affiliate or employee. Real Estate Services Expenses (including those incurred in connection with an affiliated Real Estate Service Provider) will typically be determined in our discretion taking into account the particular Real Estate Services, may include a profits interest, equity interest or other incentive-based compensation to the Real Estate Service Provider, and will 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 Real Estate Service Provider, a percentage of the value of the portfolio investment, the invested capital exposed to such portfolio investment, amounts charged by other providers for comparable services and/or a percentage of cash flows from such investments.

If an employee of ours or our affiliate (other than a portfolio investment) provides the Real Estate Services, we determine the associated Real Estate Services Expenses by reference to the annual compensation paid to the employee (including an estimate of the overhead and other fixed costs allocable to the employee) and the amount of time spent by the employee providing the Specialized Operational Services.

Real Estate Services Expenses will at times also be incurred in respect of portfolio investments prior to the closing of the investment. In the event one or more Real Estate Service Providers (directly or indirectly) is providing services with respect to the Fund and one or more Funds, such Real Estate Services Expenses will be allocated among the Fund and the other relevant Funds we determine in a fair and equitable manner. To the extent any such Real Estate Services Expenses are payable to any affiliated Real Estate Service Provider by the Fund or a portfolio investment, such expenses will not reduce any fees otherwise payable to us or our affiliates. Our determination as to whether a service is a Real Estate Service, the amount and categorization of any fees and expenses (e.g., as Real Estate Services Expenses) and the allocation of such fees and expenses shall be binding on the Fund and its investors.

We and the portfolio investments have an incentive to retain affiliated Real Estate Service Providers even if retaining unaffiliated Real Estate Service Providers would be as advantageous or more advantageous to the TPGRE Vehicle or such portfolio investments. Additionally, it is possible that Real Estate Service Providers we and the portfolio investments retain will be investors in, provide goods or services to, or have other relationships with one or more TPGRE Vehicles or their affiliates. This will influence us and the portfolio investments in deciding whether to select such Real Estate Service Providers. Although we intend that any affiliated Real Estate Service Providers will be compensated at competitive rates, such compensation will not necessarily be determined through arm’s-length negotiation and the relevant general partner and the portfolio investments will not guarantee the performance of any affiliated Real Estate Service Providers.

Conflicts Related to Legal Counsel Engaged by TPGRE Vehicles and Related Funds

TPGRE Vehicles and the Related Funds will often engage common legal counsel and other advisers to represent all of the TPGRE Vehicles and/or the Related Funds in a particular transaction, including a transaction in which a TPGRE Vehicle, other TPGRE 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 TPGRE Vehicle, other TPGRE Vehicles or Related Funds, such as in a work-out or other distressed situation, separate representation will typically become desirable, in which case we and the other Related Advisers may hire separate counsel in our sole discretion, and in litigation and other circumstances, separate representation will occasionally be required. Law firms engaged to represent TPGRE Vehicles and Related Funds, partners in those firms or entities affiliated with those firms may be investors in such TPGRE Vehicle, other TPGRE Vehicles or Related Funds, and may also represent one or more portfolio investments or limited partners of such TPGRE Vehicle, other TPGRE Vehicles and/or Related Funds. Additionally, we and the TPGRE Vehicles and the portfolio investments of the TPGRE Vehicles will at times engage other common service providers. In such circumstances, there will be a conflict of interest between us, on the one hand, and the TPGRE Vehicles and portfolio investments, on the other hand, in determining whether to engage such service providers, including the possibility that we will favor the engagement or continued engagement of such persons if we receive a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the TPGRE Vehicles and/or the portfolio investments.

Conflicts Related to Strategic Transactions

TPG is a broad-based alternative investment platform that engages in strategic transactions, including the acquisition of, or combination with, other investment platforms. In the event that we, any of our affiliates or any other party engages in any such transaction 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 our control group), and as a result we or any other entity must seek the consent of the TPGRE Vehicle under applicable law, the general partner or board of directors of the TPGRE Vehicle will not seek the consent of the limited partners of such TPGRE Vehicle but will have the authority to act for the TPGRE Vehicle in determining whether or not to provide any required consent.

Since the general partner of the TPGRE Vehicle is under common control with us and we each may have a financial interest in the consummation of any such transaction that is different from the interests of the TPGRE Vehicle or its limited partners, the general partner or board of directors of the TPGRE Vehicle will likely have a conflict of interest in making this determination. Pursuant to the Governing Documents, the general partner or board of directors of the TPGRE Vehicle is under no obligation to seek approval from the TPGRE Vehicle's limited partners as to any such consent, and the limited partners will not have the right to remove the general partner or board of directors or cause the TPGRE Vehicle to terminate the Advisory Services Agreement, transfer their interests or otherwise exit the TPGRE Vehicle, or exercise any other rights or remedies (other than those that are explicitly provided for in the TPGRE Vehicle's Governing Documents).

Conflicts Related to the Employee Retirement Income Security Act of 1974

A TPGRE Vehicle and one or more other TPGRE 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, we and certain related entities would 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 TPGRE Vehicle may be prohibited from entering into certain transactions if the investment would violate ERISA with respect to such TPGRE Vehicle or such other TPGRE 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 TPGRE Vehicle, such other TPGRE Vehicles or such Related Funds.

Conflicts Related to the Hiring of Asset Managers or Servicers

The general partner of a TPGRE Vehicle may from time to time hire asset managers or servicers (“Servicers”), including affiliates of ours or the general partner (or entities in which affiliates of ours 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 are 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 are otherwise 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 us or our affiliates and, other than fees payable as disclosed in a TPGRE Vehicle’s Governing Documents, will require approval of the TPGRE Vehicle’s advisory committee. Our affiliates or those of the general partner will benefit from these arrangements.

Conflicts Arising from the Exit of Certain Investments

The general partner, or its affiliates, from time to time receives 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 will determine to sell the distributed securities, or hold on to the distributed securities for such time as the general partner will 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 TPGRE Vehicle, and the TPGRE Vehicle and its investors.

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements

The Governing Documents of each TPGRE Vehicle and related documents are detailed agreements that establish complex arrangements among us, the limited partners, the TPGRE Vehicle, the general partner and other entities and individuals.

Questions will arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While we will construe the relevant agreements in good faith and in a manner consistent with our legal obligations, the interpretations we adopt will not necessarily be, and need not be, the interpretations that are the most favorable to the TPGRE Vehicles or their investors.

Conflicts Related to the Withholding of Certain Information

The Governing Documents of certain TPGRE Vehicles generally permit each such TPGRE Vehicle's general partner to withhold information from certain limited partners or investors in such TPGRE Vehicle in certain circumstances. For instance, information will at times be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The general partner will also from time to time 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.

ITEM 12 – BROKERAGE PRACTICES

Investment or Brokerage Discretion

For each of the TPGRE Vehicles, we have 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. We will seek the best price and execution available except to the extent we are permitted to pay higher brokerage commissions in exchange for brokerage and research services. "Best execution" means obtaining for a TPGRE 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, we generally will consider various factors, including:

- the broker-dealer's reputation, experience and financial stability;
- the ability to maintain our anonymity;
- the ability to provide competitive pricing;
- the transaction's size and timing;
- 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 TPGRE Vehicles have been treated fairly and honestly in prior trades;
- the quality of execution and service rendered by the broker-dealer in prior transactions;
- any proprietary research and investment ideas; and
- our overall relationship with the broker-dealer.

TPG BD may also, in some cases, act as a broker in transactions on behalf of TPGRE Vehicles. However, TPG BD acts as a broker-dealer in a transaction only if it is consistent with our fiduciary duties.

We have 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, we may select brokers or dealers who provide us research reports and services, 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;
- reports on underwriting activity, bank rates, loan defaults, loan new issuance volumes and other capital markets statistics; and
- opportunities to confer with company management.

In accordance with Section 28(e) of the Exchange Act, broker-dealers providing such services will from time to time be paid commissions on transactions for TPGRE Vehicles in excess of those that other broker-dealers not providing such services might charge so long as we determine 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 we exercise investment discretion. Recognizing the value of the brokerage and research services provided, we will from time to time allow a brokerage commission or negotiated term in excess of that which another broker might have charged for effecting the same transaction.

We 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. We will also periodically review the past performance of the broker-dealers with whom we have placed orders to execute TPGRE Vehicle transactions in light of the factors discussed above.

Please refer to the section above entitled “*Conflicts Related to the Hiring of Asset Managers or Servicers*” for a discussion of potential conflicts of interests that affect our choice of service providers, including broker-dealers.

Cross Transactions

Generally, we do not effect cross transactions between TPGRE Vehicles and Related Funds (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 TPGRE Vehicle may not receive the best price otherwise possible, or we might have an incentive to improve the performance of one TPGRE Vehicle or Related Fund by selling underperforming assets to a TPGRE Vehicle in order, for example, to earn fees. Additionally, in connection with such transactions, we

- may have significant investments, or intentions to invest, in the TPGRE Vehicle or Related Fund that is selling and/or purchasing such an investment;
- otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment).

We may receive advisory or other fees in connection with our management of the relevant TPGRE Vehicles or Related Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant TPGRE Vehicles or Related Funds.

In the event that we do effect cross-fund transactions between TPGRE Vehicles or Related Funds, we will 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 our policies and procedures. In particular, we will seek to ensure that the transaction is:

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

In effecting these transactions, we will seek to 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. We will maintain documentation to memorialize the basis for determining fairness in pricing. Neither we nor any of our affiliates will receive any compensation for effecting a cross-fund transaction.

Trade Aggregation

In pursuing our investment objectives, we from time to time cause TPGRE Vehicles to purchase and sell publicly traded securities through brokers. If we have determined to sell or purchase a publicly traded security at the same time for more than one TPGRE Vehicle, the Chief Compliance Officer or his/her designee will ensure that combined orders for all TPGRE Vehicles are generally placed while assigning pre-order allocations. If an order for more than one TPGRE

Vehicle cannot be fully executed, we typically “bunch” buy or sell orders for two or more TPGRE 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 TPGRE Vehicle’s order were placed separately. There may, however, be instances in which order bunching results in a less favorable transaction than a particular TPGRE 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 TPGRE Vehicles will have an adverse effect on other TPGRE Vehicles. We are not obligated to place all transactions on a “bunched” basis. We generally will seek to avoid putting any TPGRE Vehicle at an advantage or disadvantage compared to other TPGRE Vehicles that are buying or selling the same security. Each TPGRE 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 TPGRE Vehicles.

ITEM 13 – REVIEW OF ACCOUNTS

Review of Accounts

We closely monitor the investment portfolios of the TPGRE Vehicles. Our Members and/or other professionals continually review and analyze existing investment positions to attempt to identify issues early on and to take action when necessary. All investments of TPGRE Vehicles are included in TPG’s portfolio investment monitoring process (“Performance Reporting”). Performance Reporting meetings are in-depth monthly or quarterly investment reviews, during which deal teams—led by the deal partner—review prepared materials with a committee jointly led by TPG’s Chief Investment Officer, head of the TPG operations group and head of the TPG funding group. The investment portfolios of the TPGRE Vehicles are generally private, illiquid and long-term in nature, and accordingly our review of them is not directed toward a short-term decision to dispose of securities.

Reporting

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

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

For information regarding any economic benefits we receive from non-clients, including a description of related conflicts of interest, please see “*Item 10 – Other Financial Industry Activities and Affiliations*” above. In addition, as discussed in Item 11, we and our related persons, in certain instances, receive discounts on products and services provided by portfolio investments held by TPGRE Vehicles.

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 or board of directors of such Fund or Co-Investment Vehicle, we 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 Governing Documents 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 is typically 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, we generally will not have any discretion to invest the assets of such Co-Investment Vehicles independent of such contractual requirements.

ITEM 17 – VOTING CLIENT SECURITIES

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

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

TPGRE Vehicles generally cannot direct our vote.

Our Chief Compliance Officer or his/her 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 we 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 TPGRE Vehicles, we vote in a manner that we believe is consistent with the best interest of the TPGRE Vehicles, which may include agreeing with a third party to vote on a matter in a particular manner if we deem such agreement to be in the best

interest of the TPGRE Vehicles. We do 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, we maintain records of our proxy voting for at least five years and, at a TPGRE Vehicle's request, will furnish proxy voting information, free of charge, to the requesting TPGRE Vehicle within a reasonable period of time (usually within ten business days). TPGRE Vehicles may request proxy voting information by contacting the Chief Compliance Officer at (817) 871-4000 or by writing to TPG Real Estate Advisors, LLC, Attn: Chief Compliance Officer, at 301 Commerce St., Suite 3300, Fort Worth, Texas 76102.

ITEM 18 – FINANCIAL INFORMATION

Not applicable.