

TPG Opportunities Advisers, LLC

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Part 2A of Form ADV: Firm Brochure
March 30, 2020

This brochure provides information about the qualifications and business practices of TPG Opportunities Advisers, LLC. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at (469) 621-3001. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about TPG Opportunities Advisers, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

This brochure, dated March 30, 2020 serves as an update to our brochure dated March 31, 2019. This brochure contains routine annual updates to the prior brochure, as well as certain other updates, including

- with respect to the methods of analysis and investment strategies of certain of our platforms, as more fully described in “*Item 4 – Advisory Business*” and “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*”;
- those regarding payments of fees and expenses by advisory clients and portfolio companies and the allocation of such fees and expenses, as more fully described in “*Item 5 – Fees and Compensation*” and “*Item 6 – Performance-Based Fees and Side-by-Side Management*”;
- additional and/or enhanced disclosures regarding certain risks associated with our investment strategies, as more fully described in “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*”;
- additional and/or enhanced disclosures regarding potential and/or actual conflicts of interest faced by us and our affiliates and the resolution thereof, as more fully described in “*Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*”; and
- other general updates and changes.

ITEM 3 – TABLE OF CONTENTS

	Page
Cover Page	
Item 2 – Material Changes	i
Item 3 – Table of Contents.....	ii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	4
Item 7 – Types of Clients.....	16
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9 – Disciplinary Information	71
Item 10 – Other Financial Industry Activities and Affiliations	71
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	72
Item 12 – Brokerage Practices	128
Item 13 – Review of Accounts.....	131
Item 14 – Client Referrals and Other Compensation.....	132
Item 15 – Custody	132
Item 16 – Investment Discretion.....	132
Item 17 – Voting Client Securities.....	132
Item 18 – Financial Information	133

ITEM 4 – ADVISORY BUSINESS

Sixth Street Partners (“Sixth Street”) is a global finance and investment business with approximately \$31.2 billion in regulatory assets under management. Sixth Street was established in 2009 as a strategic partnership with TPG, a global alternative asset management firm with approximately \$103 billion in assets under management (which we refer to, together with its affiliates, including Sixth Street, as “TPG”). Sixth Street conducts its investment management business through its subsidiary, TPG Opportunities Advisers, LLC (the “TOP Adviser”), and through a variety of other investment advisory affiliates, all of which are either wholly owned by or under common control with Sixth Street. This brochure is intended to cover the investment advisory activities of Sixth Street and all of its investment advisory affiliates, except for TSL Advisers, LLC. TSL Advisers, LLC, which is under common control with, and an advisory affiliate of, Sixth Street, files a separate Form ADV, and its primary investment vehicle, TPG Specialty Lending, Inc. (“TSLX”) files periodic reports with the SEC under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Furthermore, and for the avoidance of doubt, this brochure is not intended to, nor does it, cover the investment advisory activities of other non-Sixth Street investment platforms that exist within TPG. However, various affiliates of Sixth Street are referenced herein in different scenarios, including in the context of conflicts of interest.

For purposes of this brochure, “we,” “us” and “our” refer to Sixth Street, together (where the context permits) with our subsidiaries that provide investment advisory services, including the TOP Adviser and those entities that serve as general partners of the Funds (as defined below).

Sixth Street conducts its investment activities primarily through the following investment platforms:

- TOP: TSSP Opportunities Partners (“TOP”) is Sixth Street’s platform for pursuing actively managed global opportunistic credit, special situations and distressed investments in corporate- and real estate-backed investments. TOP seeks to purchase or originate special situations/distressed investments across credit cycles with compelling risk-reward characteristics;
- TCS: TSSP Capital Solutions (“TCS”) seeks to generate attractive returns through the purchase or origination of downside-protected credit and equity investments in late-stage growth companies;
- TAO: TSSP Adjacent Opportunities Partners (“TAO”) seeks to generate attractive returns through the purchase or origination of opportunistic, special situations and middle market direct lending investments across the credit cycle. This strategy represents a continuation and expansion of the investment activities carried out by the broader Sixth Street platform;
- TAG: TSSP Agriculture Partners (“TAG”) focuses on niche and off-the-run agricultural opportunities primarily in the U.S.;
- TSLX: TSLX is a New York Stock Exchange-listed, regulated business development company (“BDC”) that focuses on middle market loan origination investment

opportunities, primarily in the United States. TSLX's investment adviser is TSL Advisers, LLC, which, as noted above, files a separate Form ADV;

- TSLE: TPG Specialty Lending Europe ("TSLE") focuses on European middle market loan origination investment opportunities; and
- TICP: TSSP Institutional Credit Partners ("TICP") is Sixth Street's "public-side" investment platform that focuses on investment opportunities in the broadly syndicated loan, high yield and structured credit markets. TICP sponsors collateralized loan obligations ("CLOs") as well as certain private equity style investment vehicles that invest predominantly in the CLO Equity of the CLOs managed by TICP or its affiliates (any such CLOs, "TICP-managed CLOs"). TICP also manages separately managed accounts that may pursue investment strategies substantially similar to, or different from, the TICP-managed CLOs.

For a further description of Sixth Street's investment strategies and investment platforms, see Item 8.

Advisory Clients. As set forth below, our only advisory clients are the Funds and certain fee-paying Co-Investment Vehicles (each as defined below). In particular:

- We provide investment advisory services to private 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"), as well as certain separately managed accounts ("SMAs"). We refer to such vehicles and accounts collectively as the "Funds."

The Funds' investors are primarily "qualified purchasers," as defined in the Investment Company Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, limited partnerships and limited liability companies.

We also serve as the sponsor of entities that act as feeder vehicles into certain Funds. Additionally, in order to meet tax, regulatory or other requirements, certain investors 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 particular or multiple investment strategies or themes, or establish, on a transaction-by-transaction basis, investment vehicles, SMAs or other accounts or 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. In certain cases, Co-Investment Vehicles may also pursue investments that are not pursued by a Fund. For purposes of this brochure, where the context permits, references to "Funds" will also be references to, or will include, Co-Investment Vehicles.

Organization. The TOP Adviser was formed as a Delaware limited liability company in 2011 and is part of Sixth Street. The TOP Adviser's ultimate principal owners are TPG Holdings II Sub, L.P., Special Situations Partners Management Company, L.P. and TSSP HoldCo Management, LLC (which are consolidated for accounting purposes with TPG entities controlled by David Bonderman and James Coulter).

Related Advisers and Related Funds. We are affiliated with a number of related investment advisers that focus primarily on different investment strategies (collectively, the "Related Advisers"), although such investment strategies overlap with ours from time to time. For purposes of this brochure, we refer to the funds and accounts managed by the Related Advisers as the "Related Funds." See Item 11 below for information relating to how we generally address conflicts of interest related to the Related Advisers and Related Funds.

Nature of Advisory Services. As an investment adviser, we identify investment opportunities and participate in the acquisition, origination, management, monitoring and disposition of investments for each Fund. We

- primarily provide investment advisory services related to credit and credit-related investments; and
- may from time to time offer advice on investment strategies in a variety of instruments, including, but not limited to,
 - bonds;
 - equities and other securities (including asset-backed and other structured securities);
 - loans (including bank loans and loan origination activity);
 - receivables;
 - assets;
 - claims; and
 - derivatives (including those that derive their value from the foregoing),

all from a broad range of issuers, borrowers and counterparties in a broad range of markets, and in each case to the extent consistent with each applicable Fund'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 Fund pursuant to a separate investment advisory agreement, which we refer to as an "Advisory Agreement." Each Fund's Advisory Agreement sets forth the terms of the investment advisory services we provide to the Fund, including any specific investment guidelines or restrictions. Investment guidelines for each Fund, if any, are generally established in its organizational or offering documents and/or side letter agreements negotiated with its investors.

We provide investment advice directly to the Funds, and not individually to the investors in the Funds (which are referred to throughout this brochure individually as an “investor” and collectively as the “investors”).

As described more fully in Item 11 below, we and our related entities routinely enter into side letter agreements with certain investors in the Funds providing such investors with customized terms, which often results in preferential treatment.

Amount of Client Assets. As of January 1, 2020, we managed on a discretionary basis a total of approximately \$31.2 billion of client assets.

ITEM 5 – FEES AND COMPENSATION

Fees Generally. We establish and negotiate with investors in the applicable Fund the precise amount of, and the manner and calculation of, the advisory fees for the Fund. Such Fund’s Advisory Agreement, organizational documents, offering documents, indenture and/or other documentation, which we refer to collectively as, together with any applicable side letters, the “Governing Documents,” set forth the precise amount of, and the manner and calculation of, the advisory fees. Please see Item 11 for a description of the side letter agreements we enter into with certain investors in Funds that provide such investors with customized terms, including with respect to reduced advisory fees.

We generally charge asset-based investment advisory fees (which in other contexts we commonly refer to as “management fees”) to the Funds. Advisory fees paid by a Fund are indirectly borne by its investors. Such investment advisory fees are typically deducted directly from Fund assets and are generally payable quarterly in advance. The amount of any investment advisory 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. To the extent the base upon which an advisory fee is charged changes during the course of the relevant period (e.g., due to an increase/reduction in actively invested capital), we generally are not required to make any adjustment, true-up or refund. As a result, we have an incentive to time the termination of the applicable Fund’s commitment period or the disposal of a particular investment in a manner that increases the aggregate amount of advisory fees we receive. Our Advisory Agreements generally impose some restrictions on a Fund’s ability to terminate the agreement. The specific restrictions vary depending on the nature of the Fund.

The collateral management fees for certain Funds, namely the TICP-managed CLOs, accrue quarterly and are payable in arrears only to the extent that funds are available in accordance with the priority of payments described in a TICP-managed CLO’s indenture.

Certain investors in a Fund, including, for example, the Fund’s general partner, its affiliates and certain “friends of the firm,” pay reduced or no advisory fees at our discretion (though these investors generally pay their pro rata share of certain Fund expenses).

Please see Item 6 for information regarding performance-based compensation.

Fund Expenses. In addition to the investment advisory fees described above,

- certain Funds reimburse us or our affiliates for certain organizational expenses, generally up to a specified cap, 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 structuring the Funds, analyzing and satisfying applicable regulatory requirements, preparing offering materials and preparing and negotiating the Governing Documents;
 - travel and related 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, and hence all of its investors, also generally bears all of the expenses incurred in relation to its activities, operations, meetings and eventual liquidation (other than expenses resulting from our fraud, gross negligence or willful misconduct), including, to the extent provided in the particular Fund's Governing Documents, expenses, costs and fees
 - incurred in connection with discovering, investigating, pursuing, negotiating and structuring of investment opportunities (whether or not the investment is consummated) and making investments, including, for example
 - fees and compensation (including incentive compensation) of joint venture or operating partners, including costs and expenses in connection with negotiating or entering into a joint venture, platform, operating, cooperation or similar or related agreement, and fees and compensation of any persons that are engaged to provide services with respect to any assets of the Funds or any such joint venture or platform;
 - fees, costs and expenses associated with the organization, operation, administration, restructuring or winding-up, dissolution and liquidation of any special purpose vehicles;
 - legal fees for drafting and negotiating agreements related to the making and financing of an investment, conducting due diligence and securing regulatory approvals;
 - fees, costs and expenses associated with Independent Advisors (as defined below) for assessing secondary loan origination investments;
 - fees of accountants and other professionals or service providers that provide due diligence and other services;
 - fees of tax specialists that advise on the optimal structuring of an investment;

- fees of investment banks and related bank charges, placement, syndication and solicitation fees, arranger fees, sales commissions, investment, execution, closing and administrative fees, costs and expenses;
- fees of advisors, consultants and other third-party service providers that advise, among other things, on various aspects of sourcing, investigating and pursuing possible investments, including industry and subject-matter experts;
- fees and expenses relating to potential but not consummated investments and co-investments, including costs that may have been allocated to prospective co-investors had the deal been consummated; and
- fees and expenses related to the travel of our employees including airfare, hotel and meal expenses;
- incurred in maintaining investment-related legal entities, including related accounting, tax, legal and regulatory compliance activities;
- incurred in sourcing, negotiating, holding, developing, operating, managing, monitoring and disposing of investments;
- related to the Fund's borrowing, such as interest, commitment fees, upfront fees, legal fees, structuring fees and underwriting fees, fees in connection with margin loans and total return swaps and other fees and expenses;
- related to conferences and other professional development activities for portfolio company executives (including those we organize);
- of (and costs associated with monitoring)
 - custodians,
 - depositaries,
 - advisors (including Senior Advisors (as defined below)),
 - consultants (including, but not limited to, consulting fees incurred by a Fund for the benefit of a portfolio company),
 - economists,
 - sourcing persons,
 - brokers,
 - intermediaries,
 - administrators,

- valuation firms,
- lawyers and legal professionals,
- tax professionals,
- accountants,
- auditors, and
- other professionals for services rendered to, or for the benefit of, the Fund (in each case, regardless of whether Sixth Street employees have provided similar services to the Fund or Related Funds (as defined below));
- relating to advisory committee meetings and activities (or meetings and activities of a similar body), including
 - venue expenses,
 - fees, costs and expenses associated with any legal counsel or other third-party service providers or advisors, and
 - incidental or related expenses associated with coordinating and hosting meetings of the Fund’s advisory committee (or similar body) (including travel and entertainment of the advisory committee or similar body’s members and Sixth Street professionals attending such meeting (including hotel, airfare, meals and other transportation));
- relating to other meetings of Fund investors in connection with the Fund, including venue expenses, and fees, costs and expenses associated with any legal counsel or other third-party service providers or advisors;
- relating to the travel of our employees in connection with the Fund’s advisory committee (or similar body) or investor meetings and other Fund-related travel;
- for insurance coverage, including general partner liability/director and officer insurance and crime/fidelity insurance (see “*Item 11 – Allocation of Other Fees and Expenses*”);
- for information technology and related costs, including software costs and costs related to the development, implementation, maintenance and operation of order management, data storage, fund and portfolio accounting, treasury, reconciliation, third-party diligence, portfolio monitoring, employee time tracking and other systems or tools which are expected to benefit one or more Funds;
- of net hedging expenses and interest expenses, and other execution and trading costs (including costs associated with trade errors);

- relating to financing, margin calls, guarantees and similar obligations;
- of any administrator or valuation expert (including in relation to calling capital from and making distributions to investors, the administration of assets, financial planning and treasury activities);
- relating to administrative and accounting services (including investor information databases) and the creation of financial reports and other responses to reporting requests from investors, including the costs incurred to audit and provide access (whether through the Fund's website or other portal) to such reports and any other related operational, secretarial or postage expenses;
- incurred in structuring of investments for tax, regulatory or business reasons;
- relating to compliance with tax or regulatory requirements applicable to the Fund (including the preparation and delivery of Fund financial statements, tax returns and Schedule K-1s or equivalent forms) and the preparation and submission of regulatory filings, reporting or disclosures of the Fund and its affiliates (including Form PF, Form SHLA and other regulatory filings, reporting or disclosures relating to the Fund's activities, including those with the Commodity Futures Trading Commission (the "CFTC") and the SEC), allocable fees, costs and expenses associated with satisfying or structuring investments to comply with Regulation (EU) 2017/2402 (the "Securitization Regulation"), including related to additional due diligence or reporting requirements and any costs associated with the Fund acting as an originator risk retainer for purposes of Article 6 of the Securitization Regulation (including any directors' fees and expenses) and compliance obligations arising from the European Union's Directive 2011/61/EU on Alternative Investment Fund Managers with respect to the Fund and anti-money laundering laws and regulations;
- relating to the maintenance of Sixth Street's foreign offices, including but not limited to our Luxembourg office (including office rent and salaries and other personnel expenses), and the establishment and maintenance of other non-U.S. offices or arrangements, where professionals perform certain local services in connection with the management of non-U.S. investments, including structuring, negotiation, execution, administration and monitoring activities;
- for litigation or any dispute relating to the activities or operations of the Fund and any related judgments or settlements (including any indemnification paid pursuant to the Governing Documents);
- relating to any audit, investigation, regulatory or governmental inquiry or public-relations undertaking;
- relating to the representation of the Fund or its investors with respect to tax compliance or controversy matters;

- relating to compliance (or testing, monitoring or ensuring compliance) with the Governing Documents;
- consisting of taxes, fees or other governmental charges levied against the Fund or its subsidiaries;
- relating to termination, winding up, liquidating or dissolution of the Fund;
- consisting of extraordinary expenses related to the Fund or actual or potential portfolio investments;
- relating to any amendments, restatements or other modifications to the Governing Documents, including the solicitation of any consent, approval, waiver or similar acknowledgement from investors and/or the Fund's advisory committee (or similar body) and preparation of related materials (such as summaries or checklists related to ongoing compliance therewith);
- for clearing and settlement charges;
- 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 of 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 – Providers of Specialized Operational Services to Portfolio Companies*”) to the Funds or their portfolio companies. These expense reimbursements are generally disclosed to investors.

The Funds' Governing Documents generally permit the Funds, subject to certain limitations, to (i) borrow to pay the expenses described above or else (ii) pay these expenses by withholding distributions that would otherwise be made to limited partners or (iii) pay these expenses and in turn be reimbursed by the applicable Funds for such payments.

Some expenses are incurred on an aggregate basis for the benefit of multiple Funds, Related Funds and/or Sixth Street. We allocate the aggregate costs of these items across the applicable Funds, Related Funds and Sixth Street in a manner we determine to be reasonable and fair in our sole discretion. For instance, when allocating amounts (including firm-wide insurance) to Sixth Street, its allocable portion may be based on some other metric and may be a fixed percentage that we determine to be reasonable and fair. We make these decisions at certain points in time and revisit such determinations at different intervals, which we determine in our sole discretion. If we decide to make a change in allocation, whether because of a change in the number of our Funds or because of the adoption of a new methodology, we may determine only to apply the changed allocation on a going-forward basis.

In addition, some expenses incurred primarily on behalf of one or more specific Funds may benefit other Funds, Related Funds or Sixth Street more broadly. For example, information Sixth Street obtains in connection with a Fund's research, due diligence and investment activities will be

valuable to other Funds and Related Funds. Such expenses will generally be allocated among the relevant Funds and Related Funds or other entities in proportion to the relative usage of, or the benefit derived from, applicable products, tools or services, based on either the actual or expected participation in the deal to which the expenses relate or, for non-deal-specific expenses, some other metric that we determine to be reasonable and fair under the circumstances, considering such factors as we deem relevant, but in our sole discretion. Such allocations will be discretionary and may not accurately reflect the benefits that all entities received from such research or investigations. Furthermore, tools and resources developed at a Fund's expense will be the intellectual property of Sixth Street and not the Fund. Sixth Street may license or sell its intellectual property to third parties in the future, and the relevant Fund will not benefit from such license or sale.

For information on brokerage practices, see Item 12 below.

Certain In-House Services. Certain Funds pay or reimburse us for the fees, costs and other expenses related to certain legal, regulatory, tax, accounting, information technology and other services (including in connection with providing services alongside and/or monitoring a Fund's administrator, valuation experts and other third party service providers) provided to such relevant Funds by us or an affiliate (including an allocable portion of personnel and related overhead expenses) if certain conditions are met, which generally include:

- we reasonably believe it is in the Fund'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.

While we will retain a significant amount of discretion in determining whether, how and to what extent the Funds are responsible for fees, costs or other expenses in connection with any particular in-house service that is provided, the amount of such fees, costs and expenses that are borne collectively by the Funds on an annual basis will typically be subject to a cap, and we must disclose the amount of such fees, costs and expenses in our annual financial reports to the relevant vehicle's limited partners.

We have developed processes to monitor the allocation of expenses relating to in-house services. A monthly time allocation is prepared for each individual service provider (e.g., Sixth Street employee or other affiliate) to reflect the services he or she provided to Funds and/or Related Funds, or us or Related Advisers as applicable. Senior professionals in the relevant service group and our legal or compliance professionals review the allocations on a quarterly basis for reasonableness. We determine the monetary value of services performed by a Sixth Street employee providing in-house services by reference to the aggregate annual compensation paid to the employee (including benefits, profits interests, equity interests or other incentive-based compensation), plus an estimate of the overhead and other fixed costs allocable to the employee, and the amount of time spent by the employee providing the in-house services. Our internal compensation team adjusts recorded time as necessary, and we review the assigned monetary value against third-party benchmarks on a regular (typically annual) basis. The cost of researching third-party benchmarks is shared among the Funds that bear expenses relating to in-house services.

For time allocated to a Fund, it bears the lesser of the third-party benchmark and the actual in-house service cost. Because our in-house expense allocation process relies on certain judgments and assessments that in turn are based on information and estimates from various individuals, the allocations that result may not be exact. These processes are subject to change at our discretion and, in the future, we may use additional or different methods to allocate in-house expenses.

Occasionally, whether a service meets the criteria for payment by or reimbursement from a Fund is not clear. In such circumstances, we will determine in our sole discretion whether and to what extent payment or reimbursement is appropriate.

Payments or reimbursement of in-house expenses may be made on an estimated basis in advance, subject to subsequent true-up to reflect actual in-house expenses incurred in any applicable period. Although the annual cap generally relates to in-house expenses incurred in any annual period whether or not such amounts are paid or reimbursed in a prior or subsequent period, when payments for or reimbursements of in-house expenses for a given fiscal year occur in a prior or subsequent fiscal year, we may allocate such costs to the fiscal year determined appropriate by us in our discretion.

In-house services relating to the formation of certain Funds may comprise organizational expenses and therefore be subject to the specified organizational expense cap of the applicable Fund. In-house services may include, without limitation, assisting with a Fund's annual audit and liaising with the third-party administrator and other service providers; providing operational support for a Fund's trading and financing activities; maintenance of information technology and development of software for risk and other reporting; providing legal advice and assistance, including in connection with making, managing and disposing of investments as well as in connection with the firm's compliance program; and preparation of filings and other tax-related matters. In-house services provided by Sixth Street compliance personnel are expected to include legal, regulatory and other services. For example, services relating to the preparation and review of reporting, disclosures, notices or similar materials by a Fund or Sixth Street to a Fund's advisory committee, one or more limited partners or the limited partners of a Fund as a whole; regulatory or similar filings applicable to, or for the benefit of, a Fund or its investments such as with the CFTC and SEC; monitoring compliance by a Fund or its investments with applicable laws, rules or regulations, confidentiality obligations, Governing Documents or otherwise relating to a Fund or its investment activities (including analysis and interpretation of related requirements or obligations, and the preparation and review of related materials), may be eligible to be charged to a Fund as in-house expenses. From time to time, our in-house professionals provide services alongside and/or monitor a Fund's administrator, valuation experts and other third-party service providers on the same matter or engagement. When this occurs, although a third-party is also engaged on the matter, a Fund may still reimburse us for the work performed in-house to the extent we determine that the in-house work meets the criteria for reimbursement (subject to the Governing Documents).

Fees for Services Provided to Portfolio Companies. In addition, we or our affiliates, including the general partners of the Funds, from time to time receive fees related to the making or origination, disposition or management of investments by the Funds ("Related Services"), including:

- monitoring fees;

- directors' fees;
- financial consulting fees;
- advisory fees;
- arranging fees;
- underwriting fees;
- syndication fees;
- origination fees;
- agency fees;
- amendment fees;
- origination fees that are not received by a Fund for distribution to its investors;
- break-up fees received in connection with the termination, cancellation or abandonment of a potential investment; and
- any other fees earned on or relating to the making or origination, disposition or management of investments.

The fees for Related Services can adversely affect the performance of a Fund's portfolio investment. The fees are not necessarily negotiated on an arm's-length basis and are generally paid in cash. For example, some of our affiliates charge a portfolio company monitoring fees that are equal to a percentage of its earnings, and certain other costs, such as travel costs, pursuant to a management services agreement. Certain circumstances (such as the occurrence of an initial public offering or a sale) may result in the acceleration of the payment of a portion of such fees or may result in the payment of other exit, performance-based or termination fees. Sixth Street may benefit from such fees in certain circumstances, including, for example, to the extent that the Funds co-invest with Related Funds or other private equity funds that charge such fees.

Although these fees for Related Services are in addition to the advisory fees, we generally are required to reduce the amount of advisory fees paid by the applicable Fund by an amount equal to 100% of such fees for Related Services, as set forth in the Governing Documents of the applicable Fund. However, a Fund 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 and any portion of such fee allocable to an investor that does not bear advisory fees will not offset the advisory fee. As some Funds do not pay advisory fees (*e.g.*, certain Co-Investment Vehicles), we will retain fees for Related Services received from such Funds without reduction. In addition, since we and our affiliates generally will not be required to pay advisory fees, the amount of any transaction fees that would otherwise be allocable to offsetting

those advisory fees will instead be retained by us or the applicable general partner and will not offset the advisory fee payable by third party investors of a Fund.

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 amounts include:

- any amounts paid by portfolio companies as reimbursement for any out-of-pocket costs and expenses we incur in connection with a prospective or actual transaction, and/or an existing portfolio company (including 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) or our performance of services for such portfolio company, whether or not these expenses would be payable by a Fund if not for such reimbursement;
- a portion of a transaction or other fee received from an actual or prospective portfolio company that we in our sole discretion agree to pay to a third party, such as a consultant, advisor, Senior Advisor (which, as discussed in further detail in Item 11 below, are consultants who generally have established industry and/or regional expertise and are available to assist us with transaction sourcing, due diligence, valuation, structuring, consulting and similar matters), finder, broker and/or investment bank (as the third-party fee is not a fee that we are entitled to retain);
- any profits interests or other compensation or amounts payable by a portfolio company or a Fund to an affiliate of ours (including former Senior Advisors) pursuant to an arrangement that was entered into prior to such person becoming an affiliate of Sixth Street;
- any underwriting, arranging or private placement discounts or similar broker-dealer fees or commissions payable to our broker-dealer affiliates (as described below – see “*Item 5 – Fees Received by the BD Affiliates*”);
- the portion of any fee allocable to a co-investor or other Fund or Related Funds (even if it is received by a Fund or any of its affiliates);
- reimbursement payments from portfolio companies for Specialized Operational Services (as described below – see “*Item 11 – Providers of Specialized Operational Services to Portfolio Companies*”);
- reimbursement payments from Funds in respect of in-house services (as described above); and
- any amounts paid by a platform company to its management team (as described below – see “*Item 11 – Platform Companies*”).

We and our affiliates also engage and retain Senior Advisors, advisors, consultants and other similar professionals as independent contractors who, from time to time, receive payments from, or allocations with respect to, portfolio companies, Funds and/or other entities. In such circumstances, such amounts generally will not be deemed paid to or received by us and our affiliates and such amounts will not be subject to the offset arrangements described above. We

describe these relationships further below. See “*Item 11 – Conflicts Relating to Activities and Compensation of TPG Operations Professionals*,” “*Item 11 – Conflicts Relating to Activities and Compensation of Senior Advisors*” and “*Item 11 – Activities and Compensation of Other Third Parties*.”

In addition, certain transaction fees that are treated other than as compensation for services for U.S. tax purposes, as determined by us, that are received and retained by the Funds, or received by us or a designated affiliate and then paid to the Funds and distributed to the partners as current income, will not be subject to the offset arrangements described above.

The ability to receive amounts that do not offset the advisory fees gives us an incentive to maximize such amounts and to cause Funds to make investments that could generate such amounts even if we otherwise would not have caused Funds to make such investments in their absence.

Co-Investment Vehicles. In certain cases, a Co-Investment Vehicle or other co-investors will evaluate a potential investment alongside a Fund. Investors in a Co-Investment Vehicle typically bear all expenses related to the vehicle’s formation and operation similar to those described above for a Fund, and the vehicle generally bears its pro rata portion of expenses incurred in the making of an investment. However, if the potential investment is not consummated, the full amount of any expenses relating to the potential but not consummated investment (including reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses) will typically be borne entirely by the Fund or Funds we select as proposed investors for such investment, rather than the Co-Investment Vehicle or other co-investor. See “*Item 11 – Allocation of Fees and Expenses for Broken Deals*” for more information.

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

Fees Received by the BD Affiliates. The BD Affiliates (as defined in Item 10, below), which we describe below in Item 10, are broker-dealers individually registered with the SEC and each is a member of the Financial Industry Regulatory Authority (“FINRA”).

The BD Affiliates and other affiliates of ours receive fees, commissions and/or other compensation in respect of the activities described below in Item 10. Funds generally will not have the right to share in, or have advisory fee offsets for, any compensation received by the BD Affiliates. A BD Affiliate will only serve as a broker-dealer in a transaction for a Fund if we determine it is consistent with our fiduciary duties.

For a description of material conflicts of interest created by our relationships with the BD Affiliates, please see Item 11 below.

Leveraged Procurement. Additionally, certain portfolio companies of Funds may also be counterparties or participants in agreements, transactions or other arrangements that involve payments, discounts, reimbursements or other benefits to us or our affiliates. For example, we afford certain portfolio companies the option to participate in a program with us, our affiliates and other portfolio companies pursuant to which we or one of our affiliates negotiates favorable

procurement arrangements. We and our affiliates, together with participating portfolio companies, receive the favorable procurement terms, which we are able to secure due in part to the involvement of our and, if applicable, our related persons', portfolio companies. This program is a Specialized Operational Service provided to participating portfolio companies, and therefore we and/or our affiliates receive reimbursements designed to cover some or all of the cost of administering the program through the method described in *"Item 11 – Providers of Specialized Operational Services to Portfolio Companies"* and such reimbursements are not subject to advisory fee offsets or otherwise shared with the Funds. Because the cost of administering this program is shared, as applicable, among us, our affiliates and the participating portfolio companies, we may disproportionately benefit from it by utilizing the favorable procurement arrangements to a greater degree than any of the participating portfolio companies and as a result of not all of the portfolio companies availing themselves of the benefits.

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

The Funds (other than CLOs) generally allocate a portion of their investment profits to their general partners, which are affiliated with us, as a carried interest, as set forth in each Fund's Governing Documents. CLOs generally allocate a portion of their excess cash flow above a hurdle rate to their investment advisers in accordance with the relevant CLO's indenture and Advisory Agreement. 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.

There is a reduced allocation or no allocation of carried interests or excess cash flow, as applicable, with respect to certain investors in certain Funds, including, for example, the Fund's general partner, its affiliates and certain "friends of the firm."

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 that make carried interests or excess cash flow allocation at a higher rate (or subject to a lower hurdle rate), or to allocate investment opportunities to such Funds. However, as described above, performance compensation and advisory fees are not charged to all Funds. The variation of compensation structures among Funds creates an incentive for us to disproportionately allocate time, services or functions to Funds that pay or allocate performance compensation (or higher performance compensation) or advisory fees (or higher advisory fees), or to allocate investment opportunities to such Funds. Since the amount of carried interest allocable to a Fund's general partner depends on the Fund's performance, we have an incentive to approve and cause the Fund to make more speculative investments than it would otherwise make in the absence of such performance-based allocation. We also have an incentive to dispose of a Fund's investments at a time and in a sequence that we believe would generate the most carried interest, even if it would not be in the Fund's interest to dispose of the investments in that manner. In addition, tax reform enacted in 2017 in the United States has generally increased to three years the holding period required in order for professionals to treat carried interest as capital gain. This creates an incentive for us to hold a Fund's investments for longer periods in order for the gain from their dispositions to qualify for capital gain treatment under the new carried interest rules, even if it would be in the Fund's interest to hold the investments for shorter periods.

See Item 11 below for additional information relating to how we generally address conflicts of interest.

To mitigate the aforementioned conflicts, we have adopted policies and procedures that, among other things, seek to ensure that investment opportunities are allocated in a manner that we believe is consistent with the relevant Governing Documents and otherwise fair and reasonable under the circumstances, considering such factors as it deems relevant, but in its sole discretion.

ITEM 7 – TYPES OF CLIENTS

See “*Item 4 – Advisory Business.*”

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

As described in Item 4 above, Sixth Street conducts its investment activities primarily through its TOP, TCS, TAO, TAG, TSLX, TSLE and TICP investment platforms. The methods of analysis, investments strategies and risk of loss for each such investment platform (other than TSLX) and for the broader Sixth Street platform, are described below. As described in Item 4 above, TSLX’s investment adviser (TSL Advisers, LLC) files a separate Form ADV, and TSLX files periodic reports with the SEC under the Exchange Act.

Methods of Analysis and Investment Strategies with Respect to TOP

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

Corporate Distressed-For-Control

Some of the Funds managed and/or advised by TOP (the “TOP Funds”) seek to invest globally in opportunities throughout the capital structure at a deep discount to intrinsic value where we believe the most attractive risk-adjusted returns exist. This will often mean that the focus of the TOP Funds’ distressed-for-control investments will be in instruments with a high probability of converting into equity following a restructuring. These types of investments can be accessed via single name purchases or larger portfolio transactions. They often occur in instances where we can capitalize on structural and short term volatility, including, for example, in sectors being disrupted by new technologies, new regulations, or commodity cycles. In addition to purchasing investments at discounts to intrinsic value, certain TOP Funds seek situations where we believe we can enhance value creation by leading the restructuring process and improving operations post-restructuring. We believe our differentiated capabilities (sector expertise, local market presence and depth, and ability to create value through active ownership) enhance our credibility as a counterparty in the eyes of companies and their various stakeholders and permit us to take the driver’s seat both during and following a restructuring process.

Asset Special Situations

Asset Special Situations involve the acquisition of non-performing or sub-performing, or orphaned loan portfolios as well as the acquisition and development of asset management, servicing and originations businesses, predominantly in the U.S. and Europe. We have actively pursued opportunities in varying geographies as financial stress has migrated across regions. Historically, we have purchased loan portfolios directly from commercial banks or financial institutions at discounts to current market values of the underlying assets. We believe that many of these financial institutions have not dedicated adequate staffing to servicing delinquent and non-performing loans, particularly with respect to smaller balance assets. The key barriers to entry to being a repeat, credible purchaser in this market are:

- reliable non-performing loan servicing capabilities;
- direct sourcing channels into commercial banks; and
- tight control of risk management practices from underwriting to value enhancement.

Additionally, commercial banks are often incentivized to work with repeat buyers such as the TOP Funds, which are fair, efficient and discreet. To support our Asset Special Situations business, we have at times built, acquired and/or worked with asset sourcing and servicing platforms. Fees and expenses related to such platforms are generally charged directly to, or recoverable from, those Funds that utilize, or are reasonably expected to utilize, relevant service providers.

Corporate Dislocations

We, through certain TOP Funds, seek to provide solutions to companies experiencing some form of distress or dislocation, or to companies confronted with an idiosyncratic issue. These are opportunities for us to find an angle for creating attractively valued positions during periods of structural or short-term volatility. Dislocations may include:

- excessive balance sheet leverage;
- lack of access to capital;
- company-specific operational problems;
- poor management; and
- structural changes in an industry caused by innovation, regulatory change, or other macroeconomic factors.

We seek to identify these areas of acute dislocation globally and across core sectors that will enable us to pursue investments from distressed sellers or provide creative, structured solutions. We believe our ability to identify and execute on these off-market Corporate Dislocations will enable us to add to the TOP portfolio positively skewed investments that are relatively uncorrelated to

macroeconomic conditions. By its nature, this opportunity set is difficult to define or predict, and will change over time. However, key characteristics of these dislocations include:

- structural changes in a sector that create a large unmet economic need;
- flight of traditional capital providers (including banks and hedge funds) creating a supply/demand imbalance due to illiquidity, market shocks, negative perception of sectors, or poor regulatory capital treatment of the asset class; and
- complexity in accessing or analyzing the asset class.

Methods of Analysis and Investment Strategies with Respect to TCS

TCS expects to invest across three major “hunting grounds”: (i) growth debt, (ii) downside-protected structured equity and (iii) stapled solutions, which are a hybrid structure combining aspects of Growth Debt and Structured Equity.

Growth Debt

“Growth Debt” will be comprised of debt investments, including loan origination investments and secondary loan investments, in late-stage growth companies that choose not to access traditional lenders because of their value-enhancing strategic objectives. In Growth Debt, we will focus on businesses that have reached critical mass and are beyond the “venture lending” stage of funding. That typically means revenue-generating businesses with strong unit economics that would generate cash flow to service our loan if not for their continued investment in growth, typically through investments in sales, marketing, R&D, product development or capital expenditures. We target late-stage growth companies which have these secondary forms of repayment, while avoiding venture stage companies that do not.

Structured Equity

“Structured Equity” focuses on investments that include structural features consistent with our focus on downside protection, including redeemable, participating, or convertible preferred equity. Downside protection levers may include liquidation preferences, dividends, conversion ratchets, board representation, or security-specific negative controls such as approval over capital raises, budget approvals, and restricted payments.

Stapled Solutions

“Stapled Solutions” are hybrid financing structures that combine aspects of Growth Debt and Structured Equity. Consistent with the TCS objective to providing bespoke financing solutions, Stapled Solutions span the full breadth of the capital structure. A company’s alternative to a

Stapled Solution from us would likely include negotiating disparate senior and junior capital raises with at least two, and likely more than two, investors.

Methods of Analysis and Investment with Respect to TAO

Adjacent Opportunities

Some of the Funds managed and/or advised by TAO (the “TAO Funds”) invest in opportunities sourced across our platform that offer attractive risk/reward characteristics but do not fit the investment mandates of the TOP Funds due to a non-control orientation, duration or other considerations, or the mandates of TSLX and TSLE due to the nature of the transaction. These “Adjacent Opportunities” have three primary areas of focus:

- **Defensive Yield:** Defensive Yield transactions are non-distressed situations where the outcome, as underwritten in our base case, has minimal correlation to the macroeconomic environment. These transactions often generate current yield, have a relatively longer duration and are generally sourced through proprietary relationships.
- **Stressed Opportunities:** Stressed Opportunities represent stressed asset and corporate situations where we believe we have a differentiated angle.
- **Distressed Non-Control:** Distressed Non-Control transactions consist of opportunistic purchases of distressed non-control investments at a deep discount to fundamental value, where there is a low probability of gaining a control position.

Crossover Opportunities and Crossover Investments

As part of its core investment strategy, TAO pursues “Crossover Opportunities” or “Crossover Investments,” whereby the TAO Funds will co-invest with other Funds in deals that are originated by, or on behalf of, such other Funds, but where there is excess opportunity available for the TAO Funds. Crossover Opportunities with the TOP Funds may include large, nonperforming loan portfolios, global rescue financings and large cap distressed-for-control investments. Crossover Opportunities with TSLX and/or the TSLE Funds may include North American and European direct lending investments, respectively.

The TAO Funds also pursue co-investments with other Funds in certain liquid instruments, such as corporate bonds and syndicated bank debt, which have yield and maturity characteristics that TAO finds attractive.

Methods of Analysis and Investment with Respect to TAG

TAG represents a continuation and expansion of the agriculture investing activities carried out historically by TAO. Relative to the investments carried out by TAO to date, which have involved transitional or operationally intensive angles, TAG targets agriculture investments with relatively

lower operational risk, focused predominantly on generating strong stabilized cash yields on quality, long duration assets.

Methods of Analysis and Investment with Respect to TSLE

TSLE seeks to engage in the direct origination of European middle market credit investments, focusing primarily on top of the capital structure, secured, floating-rate investments in companies with enterprise values ranging from \$50 million to \$300 million and that are typically unable to access other markets due to the size of their capital needs. These investments will include first lien loans, which consist of “uni-tranche” loans and standalone first lien loans, standalone second lien loans, mezzanine loans and structured equity, and selective investments in equity through warrants and other instruments, in most cases taking such upside participation interest as part of an overall lending relationship.

Methods of Analysis and Investment with Respect to TICP

TICP sponsors CLOs as well as certain private equity style investment vehicles that invest predominantly in the CLO Equity of the TICP-managed CLOs. TICP also manages SMAs that may pursue investment strategies substantially similar to, or different from, the TICP-managed CLOs.

In pursuing its investment strategy, TICP invests, directly or indirectly, in broadly syndicated loans, including by acquiring and holding:

- the most subordinated tranches of debt or equity, which tranches are typically one or more of the most subordinated interests entitled to the residual cash flows and are intended to be treated as equity for U.S. federal income tax purposes (“CLO Equity”), of TICP-managed CLOs;
- the debt tranches of TICP-managed CLOs;
- equity capital contributed directly or indirectly as collateral to a warehouse facility entered into in order to aggregate assets prior to the closing of a TICP-managed CLO;
- CLO Equity of CLOs not managed by TICP or its affiliates (“Third-Party CLOs”);
- the debt tranches of Third-Party CLOs; and
- loans, bonds, and other debt instruments.

TICP aims to construct diversified portfolios of leveraged loans for TICP-managed CLOs, while working to mitigate credit risk through diligent credit underwriting and active monitoring of existing positions. In addition, the TICP-managed CLOs’ indentures include covenants to maintain certain asset ratings and industry concentrations, and also require ongoing compliance with over-collateralization and interest coverage tests.

Sixth Street and TPG have established an information barrier to manage the communication of material non-public information between TICP and non-TICP personnel. This information barrier

permits TIGP to continue business activities even when a non-TIGP investment platform within TPG possesses material non-public information, and vice versa. For example, when a non-TIGP investment professional receives material non-public information regarding a particular company, the TIGP information barrier is designed to prevent that information from being transmitted to TIGP personnel, except in very limited and controlled circumstances.

Material Risks of Significant Investment Strategies

The investment strategies described above, and other strategies that Funds pursue, involve a substantial degree of risk, and the Funds 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 documents and our representatives are available to discuss with potential investors the risks involved in the strategies that Funds pursue. Such material risks include those set forth below.

Loans. Certain Funds invest in fixed- and floating-rate loans, which investments will be originated or acquired either directly or indirectly by way of loan participations and assignments of portions of such loans. If a Fund engages in loan originations, the Fund will generally acquire all of the rights and obligations relating to the loan and be entitled to exercise these rights directly against the borrower or issuer, but may be forced to hold its excess interest in loans if it is unable to sell or assign participations in such loans, leading to over-concentration in certain borrowers. Participations in commercial loans may be secured or unsecured. Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. Certain participation interests in which a Fund invests are not rated by any nationally recognized rating service. Participations and assignments are subject to a number of risks, including credit risk, interest rate risk, liquidity risk and the risks of being a lender. When purchasing loan participations, a Fund assumes the credit risk associated with the corporate borrower and typically assumes the credit risk associated with an interposed bank or other financial intermediary. In addition, if a Fund is only able to enforce its rights through the lender, it would assume the credit risk of the lender in addition to the borrower. Furthermore, such investments are subject to unique risks, including:

- the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws;
- so-called lender-liability claims by the issuer of the obligations;
- environmental liabilities that may arise with respect to collateral securing the obligations; and
- limitations on the ability of a Fund to directly enforce its rights with respect to participations.

Successful claims by third parties arising from these and other risks will be borne by a Fund.

Certain Funds originate or acquire subordinated loans. If a borrower defaults on a Fund's loan or on debt senior to a Fund's loan, or in the event of a borrower bankruptcy, a Fund's loan will be

satisfied only after the senior debt is paid in full. When debt senior to a Fund's loan exists, the presence of intercreditor arrangements would limit a Fund's ability to amend its loan documents, assign its loans, accept prepayments, exercise its remedies (through "standstill periods") and control decisions made in bankruptcy proceedings relating to borrowers.

Distressed Assets. Certain Funds invest a portion of its assets in distressed assets and portfolios of distressed assets, including non-investment grade obligations of U.S. and foreign companies (including companies in significant financial or business difficulties) including companies involved in bankruptcy or other reorganization or liquidation proceedings, which will in most cases be unrated or non-investment grade and accordingly may be exposed to distressed lending risks, including speculation with respect to a borrower's or issuer's capacity to pay interest and repay principal. While it is intended that due diligence will be conducted on borrowers and issuers to assess whether or not such borrowers or issuers may be distressed, there is no guarantee that borrowers or issuers will not become distressed after such due diligence is conducted, or that the results of such due diligence will highlight whether the relevant borrower is in financial distress. Investments in borrowers or issuers that have become financially distressed involve significantly greater risks than investments in non-distressed borrowers or issuers, and financially distressed borrowers or issuers may be unable to fulfil their payment obligations under the loan in full or at all. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies experiencing significant business and financial difficulties is unusually high.

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

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

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

Illiquidity. We expect the Funds to invest in securities, bank debt and other claims, and other assets that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a Fund at times will not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. In addition, a Fund may face other restrictions on its ability to liquidate an investment in a portfolio company to the extent that it holds a significant portion of a company's instruments or if it or an affiliate holds material non-public information regarding that company. The sale of restricted and illiquid assets often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. There can be no assurance that a Fund will be able to dispose of its investments at the price and at the time it wishes to do so.

Market Conditions and Financial Market Fluctuations. Market and economic conditions throughout the world materially affect a Fund's investments. These conditions include

- interest rates;
- availability and terms of credit;
- credit defaults;
- inflation rates;
- economic uncertainty;
- changes in laws;
- regulatory interventions and changes in regulation;
- changes in fiscal and monetary policies;
- trade barriers;
- commodity prices;
- currency exchange rates and controls; and
- national and international political, environmental and socioeconomic circumstances.

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

In particular, the value of loans or debt instruments held by a Fund may be adversely affected by the financial condition of the underlying borrowers or issuers, the industry in which the borrower or issuer operates, general economic or political conditions, interest rate fluctuations, the condition of the debt trading markets and certain other financial markets or the early prepayment of the loan or a default of the borrower or issuer.

In addition, our view of macroeconomic conditions influences our investment approach and investment decisions. If our beliefs regarding market conditions turn out to be incorrect, investments made based on a certain expectation as to how the market will perform in the future may perform worse than anticipated, or we have chosen not to make investments which, if made, would have performed well. In particular, our views and beliefs regarding the credit markets may prove to be incorrect and, among other things, structural changes or other events which we believe may lead to significant disruptions in credit markets or otherwise result in market dislocations and periods of heightened volatility during a Fund's term may not materialize, or may not have the impact that we anticipate. In such circumstances a Fund may invest during a placid or otherwise unfavorable investment environment given their investment strategy, and as a result the Funds may be unable to deploy capital as quickly, in the amounts or in the strategies anticipated, and investors' returns may be negatively impacted as a result.

Political Uncertainty. It is unclear what changes governments around the world will enact and how they will impact us, the Funds, the Funds' investments and the Funds' investors. Uncertainty around future political, legislative or administrative developments may cause volatility in the U.S. or global economies and financial markets more generally, which in turn may have an adverse effect on the values of the Funds' investments and on the Funds' ability to execute their investment strategies. While the Funds and their investment programs stand to benefit from certain potential regulatory changes, other potential changes may adversely affect the Funds.

Changes in the Political Environment of the United Kingdom and Europe. In a referendum held on June 23, 2016, the United Kingdom resolved to leave the European Union (commonly referred to as "Brexit"). The United Kingdom left the European Union on January 31, 2020 and currently is negotiating its future relationship with the European Union during a transition period scheduled to end on December 31, 2020.

The initial Brexit result has led to political and economic instability and volatility in the financial markets of the United Kingdom and more broadly across Europe. The longer-term economic, legal, political and social framework between the United Kingdom and the European Union remains unclear at this stage, and this uncertainty is likely to lead in turn to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European markets for some time. This uncertainty will also likely continue to impact the global economic climate.

Competition for Investments. The Funds compete for investment opportunities with various other entities or organizations that have similar investment objectives or strategies. Potential competitors include other investment funds, business development companies and financial investors and other public and private entities, including commercial banks, commercial financing companies and insurance companies investing directly or through affiliates. Certain of these entities possess competitive advantages over a Fund, 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 and an ability to achieve synergistic cost savings in respect of an investment.

Such competitors may also have licenses or other regulatory authorizations, approvals or statuses in relevant jurisdictions that are not available to, or may not be obtained by, the Funds, and thus may allow such competitors to pursue investment opportunities not available to the Funds. In addition, a large number of private investment funds have been formed over the past several years, and many recently formed and existing private investment funds are able to call substantial amounts of unused capital commitments, resulting in a significant amount of capital available for investment in such opportunities.

The Funds may lose investment opportunities if they do not match these competitors' pricing, terms and structure. If the Funds do match these competitors' pricing, terms and structure, however, they may experience decreased returns and increased risk of loss.

For a description of how we allocate investments among Funds that may compete for the same opportunities, see "*Item 11 – Allocation of Investment Opportunities.*"

Non-Controlling Investments. Funds typically hold debt instruments or other securities that do not entitle the Funds to voting rights. To the extent one or more Funds own a voting interest in an operating company, it would typically be a non-controlling interest. In these cases, the Fund has a limited ability to protect their investments in a portfolio company. If appropriate given the Fund's ownership stake, the Fund may negotiate representation on the board of directors of a portfolio company or appropriate minority shareholder and supervisory rights to protect the Fund's investment. However, there can be no assurance that these measures will give the Fund the influence it would need to protect its investment. As a result, the Fund will be subject to the risk that a portfolio company it does not control, or in which it does not have a majority ownership position, may make decisions with which it disagrees, and the equity holders and management of such a portfolio company may take risks or otherwise act in ways that are adverse to the Funds' interests. Liquidity constraints could preclude the Fund from disposing of its investments in a timely manner in the event that it disagrees with the actions of such portfolio company, and may therefore suffer a decrease in the value of its investment.

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

arrangements relating to such investments, including incentive compensation arrangements or fees based on the value of assets managed.

Controlling Interests and Provision of Managerial Assistance. Through equity ownership, representation on the board of directors and/or contractual rights (if applicable), a Fund may control, participate in the management of or otherwise influence substantially the conduct of a portfolio company. The designation of our professionals or advisors as directors and the exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If these liabilities were to arise, a Fund may suffer a significant loss, exposing the assets of the Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies, which may exceed the value of the Fund's initial investment in that portfolio company. While we intend to reduce exposure to these risks to the extent practicable, the possibility of successful claims cannot be precluded.

In addition, the provision of managerial assistance to a portfolio company could result in a Fund being characterized as a "trade or business" for purposes of controlled group liability under the U.S. Employee Retirement Income Security Act of 1974 ("ERISA"), and, in cases where a Fund has a significant ownership interest (generally 80% or more) in such portfolio company, there is a risk that the Fund and any portfolio company could be subject to controlled group liability under ERISA. This liability generally includes funding obligations to single-employer pension plans and withdrawal liability from union-sponsored multiemployer pension plans. In July 2013, the U.S. Federal Court of Appeals for the First Circuit held that the portfolio company management activities of a private equity fund could cause the fund to be regarded for ERISA controlled group liability purposes as engaging in a "trade or business" (the "2013 Sun Capital Case"). Further, in March 2016, the U.S. District Court for the District of Massachusetts held that affiliated private equity funds investing in the same portfolio company may form a "partnership-in-fact." The District Court found that the affiliated funds forming the de facto partnership would be subject to controlled group liability if the funds together held 80% or more of the portfolio company in question (the "2016 Sun Capital Case"). However, in November 2019, the U.S. Federal Court of Appeals for the First Circuit reversed the U.S. District Court for the District of Massachusetts' finding that a "partnership-in-fact" existed between the affiliated Sun Capital funds, though it indicated that courts might imply a "partnership-in-fact" depending on the relevant facts and circumstances, including control, conduct and structure (together with the 2013 Sun Capital Case and the 2016 Sun Capital Case, the "Sun Capital Cases"). Although the impact of the holdings in the Sun Capital Cases is unclear, the possibility of trade or business characterization remains a risk for the Funds, especially in the First Circuit. Furthermore, the ownership interest of a Fund in some or all of its portfolio companies could be sufficient to create a controlled group relationship,

especially if the ownership interests of Related Funds and/or parallel funds are aggregated when applying the controlled group ownership tests.

Middle Market Companies. Certain Funds expect to invest in middle market companies. Investing in middle market companies involves a number of significant risks, including:

- that such companies tend to have more limited financial resources and may be unable to meet their obligations under their debt securities that the Fund holds, which at times is accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Fund realizing any guarantees the Fund may have obtained in connection with its investment;
- that such companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- that such companies are more likely to depend on the management talents and efforts of a small group of persons;
- that such companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- that such companies may have less publicly available information about their businesses, operations and financial condition and, if the Fund is unable to uncover all material information about these companies, the Fund may not make a fully informed investment decision;
- that such companies may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity; and
- typically the liquidity of debt issued may be significantly more limited than is typical of larger companies and the Fund may be subject to price volatility or face difficulties exiting investments.

Debt Securities and Private Debt Instruments. Certain Funds invest in debt securities and private debt instruments of unrated or non-investment grade companies, including:

- leveraged loans;
- high-yield bonds;
- senior secured bank debt;
- junior loans;

- subordinated loans;
- syndicated bridge commitments; and
- unsecured loans.

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

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

Convertible Securities. Certain Funds invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that give the holder the right to convert or exchange the security for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is

paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally

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

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

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

Incurrence of Additional Debt or Equity Securities.

Borrowers or issuers of any portfolio investment may have, or may be permitted to incur, other debt, or issue other equity securities that rank equally with, or senior to, the Funds’ investments. By their terms, those instruments may provide that the holders are entitled to receive payment of dividends, interest or principal on or before the dates on which the Funds are entitled to receive payments in respect of their investments. These debt instruments would usually prohibit the borrower or issuer of any portfolio investment from paying interest on or repaying the Funds’ investments in the event and during the continuance of a default under the debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a borrower or issuer of any portfolio investment, holders of securities ranking senior to the Funds’ investment in that borrower or issuer typically would be entitled to receive payment in full before the Funds receive any distribution in respect of their investment. After repaying those holders, the borrower or issuer of

any portfolio investment may not have any remaining assets to use to repay its obligation to the Funds. In the case of securities ranking equally with the Funds' investments, the Funds will have to share on an equal basis any distributions with other security holders in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant borrower or issuer of any portfolio investment.

The rights the Funds may have with respect to the collateral securing any junior priority loans it makes to the relevant borrower or issuer of a portfolio investment may also be limited pursuant to the terms of one or more intercreditor agreements that the Funds enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that senior obligations are outstanding, the Funds may forfeit certain rights with respect to the collateral to the holders of the senior obligations. These rights may include the right to commence enforcement proceedings against the collateral, the right to control the conduct of those enforcement proceedings, the right to approve amendments to collateral documents, the right to release liens on the collateral and the right to waive past defaults under collateral documents. The Funds may not have the ability to control or direct such actions, even if as a result their rights as junior lenders are adversely affected.

Default of Borrowers.

Loans that the Funds will make are subject to credit, liquidity and interest rate risk. In the event of any default on the Funds' investment in a debt obligation by the borrower, the Funds will bear a risk of loss of principal and accrued interest on the debt obligation, which could have a material adverse effect on the Funds' investment and results of operations. An investment may become defaulted for a variety of reasons, including non-payment of principal or interest, as well as breaches of contractual covenants. Credit risks associated with the investments include (among others): (i) the possibility that earnings of a borrower may be insufficient to meet its debt service obligations; (ii) a borrower's assets declining in value; and (iii) the declining creditworthiness, default and potential for insolvency of a borrower during periods of rising interest rates and economic downturn.

A defaulted investment may become subject to workout negotiations or may be restructured by, for example, reducing the interest rate, a write-down of the principal, and/or changes to its terms and conditions. Any such process may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on the defaulted investment, and significant costs might be incurred by the Funds. In addition, the liquidity in defaulted loans may also be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon, which would adversely affect the value of the Funds' investment portfolio.

Loans, Debt and Equity Investments. The Funds invest, and will continue to invest, in "uni-tranche" and senior secured term loans, second lien loans, and select mezzanine and/or equity investments.

Uni-tranche and Senior Secured Loans.

The Funds invest in senior secured loans having the benefit of a first lien on available assets of the borrower. However, there is a risk that the collateral securing such loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may

fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the borrower to raise additional capital. In some circumstances, the security underlying the Funds' investment could become subordinated to claims of other creditors. Consequently, the fact that a loan is secured does not guarantee that the Funds will receive principal and interest payments according to the loan's terms, or at all, or that the Funds will be able to enforce applicable remedies. In addition, deterioration in the borrower's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the security.

Second Lien Loans.

The Funds may invest in loans that are secured by a second lien on assets. Second lien loans have been a developed market for a relatively short period of time, and there is limited historical data on the performance of second lien loans in adverse economic circumstances. In addition, second lien loan and other junior or subordinated products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien or junior holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, which may limit the Funds' ability to amend their loan documents, assign their loans, accept prepayments, exercise their remedies (through "standstill periods") and control decisions made in bankruptcy proceedings relating to borrowers, which can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products. In August 2007, the market for many loan products, including second lien loans, contracted significantly, which made virtually all leveraged loan products, particularly second lien loan products, less liquid or illiquid. Many participants ceased underwriting and purchasing certain second lien loan products. Although conditions have improved following the global financial crisis, there can be no assurance that such illiquidity will not reoccur with respect to loans.

Mezzanine or Other Junior Debt.

The Funds may make junior debt investments which will generally be subordinated to senior loans. Such loans will typically either have junior security interests or be unsecured. As such, other creditors may rank senior to the Funds in the event of an insolvency. This may result in an above average amount of risk and loss of principal.

Equity Investments.

The Funds may include an equity component (included warrants or other instruments convertible into equity) as part of a senior secured loan or mezzanine loan. Warrants have a limited life and following their expiry they can no longer be traded or exercised. Warrants may expire worthless and/or it may be the case that at expiry the exercise price is greater than the price of the underlying security. There also may not be an active market for the warrants held by the Funds. The Funds may also invest in preferred equity securities which are subordinated to loans and other debt

instruments in an issuer's capital structure. Preferred security holders also typically have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified period. Equity interests may not appreciate in value and, in fact, may decline in value. Accordingly, the Funds may not be able to realize gains from the equity interests, and any gains that are realized on the disposition of any equity interests may not be sufficient to offset any other losses experienced.

Debtor-in-Possession Loans. From time to time, certain Funds invest in or extend loans to companies that have filed for protection under Chapter 11 of the U.S. Bankruptcy Code. These debtor-in-possession ("DIP") loans are most often revolving working-capital facilities put into place at the outset of a Chapter 11 case to provide the debtor with both immediate cash and the ongoing working capital that will be required during the reorganization process. While such loans are generally less risky than many other types of loans as a result of their seniority in the debtor's capital structure and because their terms have been approved by a federal bankruptcy court order, it is possible that the debtor's reorganization efforts may fail and the proceeds of the ensuing liquidation of the DIP lender's collateral might be insufficient to repay in full the DIP loan.

Bankruptcies. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions contrary to the interests of a Fund. Furthermore, there are instances in which creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor. Generally, the duration of a bankruptcy case depends, inter alia, on the applicable law in the jurisdiction of the debtor and can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and a Fund; it may be subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal.

The value of the investments held by a Fund may be impacted by various laws enacted for the protection of creditors in the jurisdictions of incorporation of the borrowers thereunder and, to the extent different, the jurisdictions from which the borrowers conduct their business and in which they hold their assets, which may adversely affect such borrowers' abilities to make payment on a full or timely basis, or the Funds' recovery in a restructuring or insolvency. In particular, a number of jurisdictions operate unpredictable insolvency regimes that may differ substantially from those in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. The insolvency regimes applicable in such jurisdictions result in a corresponding variability of recovery rates for senior loans, high-yield bonds and other debt obligations originated, purchased or issued in such jurisdictions, which may materially delay recovery by the Fund of amounts owed by insolvent borrowers or issuers subject to such regimes.

A Fund may invest in or extend loans to companies that have filed for protection under relevant bankruptcy laws, or that may seek to reorganize under the laws of the applicable jurisdictions, and may be adversely affected if such companies' reorganization efforts fail. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purposes of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Funds' influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

We may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of a Fund's positions as creditors or equity holders. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If we conclude that our obligations owed to the other parties as a committee or group member conflict with our duties owed to a Fund, we may resign from such committee or group, and the Fund may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if the Fund is represented on a creditors' committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in such company while it continues to be represented on such committee or group.

A Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser. In addition, under certain circumstances, a bankruptcy court could reclaim a payment to a Fund's distribution to its investors if the court determines that the payment or distribution is a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy or insolvency laws.

Equitable Subordination. If a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors, or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). A Fund does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the nature of debt obligations and certain Funds' focus on "active management" of their investments, such Funds cannot provide assurance that these claims will not arise in certain jurisdictions or that they will not be subject to significant liability if a claim of this type arises. A

Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor that are held by the Fund should be equitably subordinated.

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

Structured Products. Certain Funds invest in CLOs, collateralized debt obligations and/or other similar securities (collectively, “Structured Products”). These include fixed pools and “market value” or managed pools of collateral, including commercial loans, high-yield and investment grade debt, structured securities and derivative instruments relating to debt. The pools are typically separated into tranches representing different degrees of credit quality, with lower rated tranches being subordinate to senior tranches. The senior tranches of Structured Products, which represent the highest credit quality in the pool, have the greatest collateralization and pay the lowest spreads over U.S. treasuries. Lower-rated tranches of Structured Products 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 Structured Products are especially sensitive to the rate of defaults in the collateral pool. In addition, the exercise of redemption rights, if any, by more senior tranches of Structured Products 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 Structured Products.

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

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

If a Fund creates a Securitization Vehicle, the Fund will depend on distributions from the Securitization Vehicle’s assets to enable it to make distributions to investors. The ability of a Securitization Vehicle to make distributions will be subject to various limitations, including the terms and covenants of the debt it issues. For example, tests (based on interest coverage or other financial ratios or other criteria) may restrict a Fund’s ability, as holder of a Securitization Vehicle’s equity interests, to receive cash flow from these investments. There is no assurance any such performance tests will be satisfied. Also, a Securitization Vehicle may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower, or the Securitization Vehicle may be obligated to retain cash or other assets to satisfy over-collateralization requirements commonly provided for holders of the Securitization Vehicle’s debt.

As a result, there may be a lag, which could be significant, between the repayment or other realization on a loan or other assets in, and the distribution of cash out of, a Securitization Vehicle, or cash flow may be completely restricted for the life of the Securitization Vehicle. In addition, a decline in the credit quality of loans in a Securitization Vehicle due to poor operating results of the relevant borrower, declines in the value of loan collateral or increases in defaults, among other things, could force a Securitization Vehicle to sell certain assets at a loss, reducing its earnings and, in turn, cash potentially available for distribution to a Fund for distribution.

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

Investments in Pooled Investment Vehicles. Pursuant to the Governing Documents, and subject to certain exceptions, the Funds are generally not permitted to invest in blind pool investment vehicles managed on a discretionary basis in which the Funds would pay incremental carried interest or advisory fees without the approval of a relevant Fund's Advisory Committee. However, Sixth Street may cause the Funds to pursue investment opportunities it believes to be attractive through other types of pooled investment vehicles. For example, the Funds may make investments in investment vehicles controlled by one or more third parties if such investments do not result in the Funds paying incremental carried interest or advisory fees. Similarly, the Funds may also make investments in pooled investment vehicles that result in the Funds paying incremental performance or other fees, if Sixth Street retains investment discretion with respect to the investments in which the Funds indirectly participate.

Mortgage-Backed and Asset-Backed Securities. Certain Funds invest in mortgage-backed securities ("MBS") and asset-backed securities ("ABS"). MBS represent an interest in a pool of mortgages. When market interest rates decline, more mortgages are refinanced and the securities are paid off earlier than expected. Prepayments also occur on a scheduled basis or due to foreclosure. When market interest rates increase, the market values of MBS decline. At the same time, however, mortgage refinancing and prepayments slow, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of MBS is usually more pronounced than it is for other types of fixed-income securities. ABS are structured like MBS, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property and receivables from credit card agreements. The ability of an issuer of ABS to enforce its security interest in the underlying assets is often limited. ABS are subject to many of the same risks as MBS.

Commercial Mortgage Loans. A Fund may hold directly or indirectly (e.g., through investments in commercial mortgage-backed securities 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 could 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 expenses 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 may not readily convert 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.

Defaults and Foreclosures on Mortgage Loans. In the event of any default under a loan directly held by a Fund or a loan underlying a security held by the Fund, the Fund will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the loan, which could have a material adverse effect on the Fund's cash flow from operations. Other non-performing loans may require workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the original principal amount of such loans. Further, even if a restructuring were successfully accomplished, a risk exists that upon maturity of such loans, replacement financing will not be available and such loans may not be repaid. In the event of the bankruptcy of a borrower, the loan to that borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), the lien securing the loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law, and realizing any value under such circumstances can be an expensive and lengthy process that could have a substantial negative effect on the anticipated return on the loan and on the security backed by such loan.

Following the 2008 financial crisis, mortgage loan experienced increased rates of delinquency, foreclosure, default and loss as a result of economic conditions, including lower home prices, as well as aggressive lending practices. Although such rates have stabilized in recent years, in the future economic conditions may result in mortgage loans once again experiencing high rates of delinquency, foreclosure, default and loss.

If a Fund were to make investments in these assets, it is possible that the Fund may find it necessary or desirable to foreclose on collateral securing one or more investments in loans purchased by the Fund. The foreclosure process can be expensive and lengthy (which could have a substantial negative effect on the Fund's anticipated return on the foreclosed mortgage loan), and may be adversely affected by the operation of state law governing the foreclosure process as well as other creditor's rights provided in the governing loan instruments. Borrowers often resist foreclosure actions by asserting numerous claims, including lender liability claims, and may also file for bankruptcy at any time during the foreclosure process. The foreclosure process also tends to create a negative public image of the collateral property and may result in the disruption of ongoing leasing and management of the property.

In certain instances, there may be widespread defaults on pools of similar or related mortgage loans held by a Fund due to economic or geo-political factors affecting particular geographical or industry sectors, natural disasters (for instance, the 2017 Puerto Rico hurricane), acts of war or terror, political instability or economic crises. In such cases, there may be a widespread default on mortgage loans held by the Fund in applicable geographies or sectors due to the destruction of

property or being affected by other humanitarian crises. In such circumstances, the Fund may choose to delay the enforcement of, or not to enforce, their default remedies and/or foreclose on the loans held by it for a variety of reasons (including humanitarian concerns). In such circumstances the value of the Fund's investments may be materially impaired or the ability of the Fund's to recover their investment may be significantly delayed.

Governmental Actions Affecting Mortgages and Mortgage Foreclosures. Following the 2008 financial crisis, the federal government, state governments, consumer advocacy groups and others urged mortgage servicers to be aggressive in modifying mortgage loans to avoid foreclosure. In addition, numerous laws, regulations and rules were proposed by federal, state and local governmental authorities that would have delayed foreclosure, reduced or delayed payments by homeowners, forgiven debt and increased prepayments due to the availability of government-sponsored refinancing initiatives. Also, several courts, state and local governments and elected or appointed officials took steps to slow or prevent foreclosures, including certain federal and state legislators calling for a more broad-based moratorium on foreclosures generally. While many of these initiatives were not adopted, governmental bodies could renew their focus on slowing or preventing foreclosures, which could adversely affect a Fund with a substantial amount of its capital invested in residential mortgage loans.

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 the Funds in residential mortgage loans could be adversely affected.

Consumer Loans. The Funds expect to hold or (through investments in ABS) be exposed to other consumer loans, including credit card receivables, automobile loans, or student loans. Unlike mortgage loans, certain of these consumer loans may be unsecured, or, if secured, the likelihood of collecting on the collateral underlying such loans may be low. Further, consumer loans are subject to risks of prepayment, delinquency and default similar to those present in mortgage loans. The ability of a borrower to repay any such consumer loan is dependent on a number of factors, including the income and assets of the borrower. These factors may not be verified or verifiable by the applicable lender and may be subject to borrower fraud, which increases the risk profile of such loans. As a result, the Funds may invest in consumer loans that have been made to borrowers of varying creditworthiness, and they may invest in consumer loans that have been extended pursuant to varying underwriting guidelines, or to no underwriting guidelines at all. Consumer loans may be backed by collateral (as in automobile loans) or they may be unsecured, exposing the Funds to default risk as an unsecured creditor of an individual consumer borrower.

In addition, the Funds will depend on one or more servicers to collect on any outstanding consumer loans. Certain servicers may have limited experience in the applicable type of loans or may otherwise be limited in their ability to collect. Further, the specialty finance companies that originate and service consumer loans are often dependent on the availability of financing through

the capital markets. To the extent such financing were to be unavailable, these companies may experience liquidity issues which would impair their ability to originate or service loans, even if the loans that they are originating or servicing are not themselves impaired.

Congress and the individual states may further regulate the consumer credit industry in ways that make it more difficult for servicers of such loans to collect payments on such loans, resulting in reduced collections. Such laws and regulations may, among other things, regulate interest rates and other charges, require certain disclosures, regulate the use of consumer credit information and regulate debt collection practices. Violation of certain provisions of these laws and regulations may limit a servicer's ability to collect all or part of the principal of, or interest on, such loans, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. A number of recent court cases have similarly affected the ability of lenders to collect on consumer loans. In addition, changes to federal or state bankruptcy or debtor relief laws may also impede collection efforts or alter timing and amount of collections. If an obligor sought protection under federal or state bankruptcy or debtor relief laws, a court could reduce or discharge completely the obligor's obligations to repay amounts due on its loan. As a result, that loan would be written off as uncollectible.

As part of the Dodd-Frank Act, the federal government has created the Consumer Financial Protection Bureau ("CFPB"), an independent agency responsible for consumer protection in the financial sector. In recent years, the CFPB has become an increasingly active regulator of consumer financial products. The increased role of the CFPB may affect the Fund's investment activities in this market. In addition, there is uncertainty as to the direction of future U.S. legislation and policy, and there may be further legislative or administrative developments that affect consumer loans and their collectability.

Risks specific to different categories of consumer loans may affect the Funds' return on such investments. In the case of credit card loans, for example, various and unpredictable social, economic and geographic factors may affect the payment patterns and rates of default by borrowers, including consumer confidence and attitudes toward debt, rates of inflation and unemployment and prevailing interest rates. Rates of prepayment and default on student loans will similarly vary based on a number of factors, but will also be affected by contractual terms present in such loans, including the extension of grace periods, deferment periods and, under some circumstances, forbearance periods. The current market shows high levels of non-mortgage-backed consumer debt and rising levels of default in the subprime or non-prime consumer lending sectors. To the extent that the U.S. unemployment rate increased, there could be a further decline in performance of such non-mortgage consumer debt. Sixth Street cannot predict how these and other factors may affect the Funds' investments in consumer loans.

Reputational Concerns. A Fund may invest in certain types or categories of investments (for example, consumer loans, residential mortgages or litigation funding), or in sectors or geographies (for example, in developing economies or jurisdictions which are, or later become, affected by wars or natural disasters), which give rise to a material risk of reputational harm being suffered by the holder of the investment in circumstances in which the investments are distressed, in default or otherwise require actions to be taken to enforce or protect the value of the investment (including disposing of the investment). For example, in our experience such investments and the

circumstances surrounding them may be subject to heightened political or media influence, or otherwise the subject of public scrutiny and opinion.

In such circumstances, such investments may be difficult to dispose of or realize due to the absence of willing purchasers or other counterparties. In addition, in order to mitigate the risk of reputational harm being suffered by us, a Fund or any of its investor, we may choose to delay the enforcement of, or not to enforce, default or other remedies and/or foreclose on or dispose such investments held by the Fund, even where delaying or failing to take such action may (or is in fact likely to) result in the Fund realizing lower overall returns on the relevant investments, or realizing such returns more slowly.

Conversely, taking such actions could harm our, the Fund's or an investor's reputation, which in turn could adversely affect our access to investment opportunities and our ability to consummate transactions on behalf of the Fund.

Borrower Fraud. Of paramount concern in originating or holding loans is the possibility of material misrepresentation or omission on the part of borrowers. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of a Fund or affiliates to perfect or effectuate a lien on the collateral securing the loan. We rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. In addition, the quality of a Fund's investments in non-performing loans, or in MBS and ABS are subject to the quality of underwriting of their originators, the ability of MBS/ABS sponsors to screen for such issues, and the accuracy of representations made by the underlying borrowers.

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 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. Borrowers tend to prepay 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, borrowers tend not to prepay 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.

Higher Risk of Loss on Loans Secured by Non Owner Occupied Properties. Certain mortgage loans may be secured by residential properties where the occupant is not the owner. These mortgage loans may present a greater risk of loss because these borrowers may be more likely to default on a mortgage loan secured by non-owner-occupied property than a mortgage loan secured by a primary residence of a borrower.

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

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

arising in relation thereto or otherwise regarding any reference obligation, any guarantor or any other person, other than the obligation of a synthetic security counterparty to provide publicly available information to a Fund of the occurrence of certain specified events. As a general rule, synthetic security counterparties will not have a duty to consider the effect of their actions or failure to take actions on a Fund.

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

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

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

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

Hedging Transactions. Certain Funds utilize financial instruments, including futures, forwards, options, total return swaps, broad index swaps, basket swaps, caps, floors and collars, both for investment purposes and for risk management purposes in order to:

- protect against possible changes in the market value of a Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates;
- protect a Fund's unrealized gains in the value of a Fund's investment portfolio;
- facilitate the sale of any such investments;
- enhance or preserve returns, spreads or gains on any investment in a Fund's portfolios or to enhance or obtain investment exposure;
- hedge the interest rate or currency exchange rate on any of a Fund's liabilities or assets;
- protect against any increase in the price of any securities a Fund anticipates investing in at a later date; or

- for any other reason.

The success of a Fund's hedging strategy will depend, in part, upon our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Because the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Fund would generally enter into these transactions to seek to reduce risk, it is possible that such transactions would result in a poorer overall performance for a Fund than if it had not engaged in such hedging transactions. Hedging transactions have inherent risks, including the possible default by the counterparty to the transaction and the illiquidity of the hedging instrument acquired by a Fund. For a variety of reasons, we at times will not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. We will not hedge against a particular risk when we do not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or when we do not foresee the occurrence of the risk. Also, although hedging transactions generally hedge economic risks, they are not always 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 gain or loss on the investment, or the timing of the gain or loss for tax purposes may differ between the hedging transaction and the investment. Finally, changes to the regulations applicable to the financial instruments a Fund uses to accomplish its hedging strategy, including the CFTC's current and proposed rules on position limits for derivatives, could limit the effectiveness of that strategy or require more onerous reporting. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of a Fund's portfolio holdings.

Real Estate Investments. Certain Funds may hold real estate investments. The value of the real property and related assets underlying mortgage loans is subject to market conditions. Changes in the real estate market may adversely affect the value of the collateral and thereby lower the value to be derived from a liquidation. In addition, adverse changes in the real estate market increase the probability of default, as the incentive of the borrower to retain equity in the property declines. Furthermore, many of the properties which will secure loans originated or purchased by the Funds or their affiliates may be suffering varying degrees of financial distress or may be located in economically distressed areas.

Certain Funds may also hold real estate or other property or assets in a particular state or other jurisdiction where applicable local laws impose burdensome qualification or compliance obligations, which may require significant Fund expense, such as attorneys' fees or deal structuring expenses, and which may not be anticipated at the time of the making of the investment.

Energy Related Investments. The Funds may invest in energy industry assets and businesses, which are typically regulated to varying degrees, including with respect to electric generation and transmission as well as oil, natural gas and coal production, storage, handling, processing, and transportation. Statutory and regulatory requirements may include restrictions imposed by energy, zoning, and land use, safety, labor and other regulatory or political authorities.

In addition, the Funds may invest in certain new alternative energy products and technologies based on new and unproven designs that have not reached a level of maturity that allows for a level of reliability. Such products may never become viable, or develop a sustainable market. The prices of several types of competitive energy sources such as oil, gas or coal could become economically more attractive. As a result of any or all the foregoing, portfolio companies may not be able to successfully develop and commercialize these products and technologies in order to recover investment made in their development.

Portfolio companies in the energy industry in which the Funds invest may be significantly affected by competition from new and existing market entrants, obsolescence of technology, short product cycles, varying prices and profits, commodity price volatility, changes in exchange rates, imposition of import controls, depletion of resources, technological developments and general economic conditions, fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects and tax and other governmental regulations.

It is possible that changes to applicable regulations or regulatory practice could have adverse consequences for an investment of the Funds. Ordinary operation or the occurrence of an accident with respect to an energy asset could cause major environmental damage, which may result in significant financial distress to such asset. Certain environmental laws and regulations may require that an owner or operator of an energy asset address prior environmental contamination, which could involve substantial cost. Portfolio companies in which the Funds invest in the energy sector may be exposed to substantial risk of loss from environmental claims, including in respect of investments made in assets with undisclosed or unknown environmental problems or as to which inadequate reserves had been established. Environmental claims with respect to a specific investment may exceed the value of such investment, and under certain circumstances, subject the other assets of the Funds to such liabilities.

Furthermore, changes in environmental laws or regulations or the environmental condition of an energy investment may create liabilities that did not exist at the time of the investment by the Funds and that could not have been foreseen. Community and environmental groups may protest the development or operation of energy assets, which may induce government action to the detriment of the Funds. New and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations, or requirements, could impose substantial additional costs on a portfolio company.

Alternative or Renewable Energy Investments. Certain Funds may invest in certain new alternative or renewable energy products and technologies based on new and unproven designs that have not reached a level of maturity that allows for a level of reliability. Such products may never become viable, or develop a sustainable market. The prices of several types of competitive energy sources such as oil, gas or coal could become economically more attractive. In addition, the direction of future U.S. climate change regulation is difficult to predict given the current political uncertainty. The U.S. Environmental Protection Agency may or may not continue developing regulations to reduce greenhouse gas emissions from the oil and natural gas industry. As a result of any or all the foregoing, portfolio investments may not be able to successfully develop and commercialize these products and technologies in order to recover investment made in their development.

The wind and solar energy industries in which a Fund may invest are highly regulated, both by domestic and foreign governmental agencies. In addition, government regulations and policies concerning the electric utility industry, and internal policies and regulations promulgated by electric utilities, heavily influence the market for electricity generation products and services. Currently, domestic and foreign governments provide incentives to end users, distributors and manufacturers to promote wind and solar electricity in the form of rebates, tax credits and other financial incentives such as system performance payments and payments for renewable energy credits associated with renewable energy generation. It is not clear if policymakers will retain existing federal incentives, or if there will be any changes to equivalent state or foreign legislation on such matters. These incentives could expire on a particular date, end when the allocated funding is exhausted or be reduced or terminated without warning as wind and solar energy adoption rates increase, including retroactively, which could result in a significant reduction in the potential demand for renewable energy systems or otherwise adversely affect a Fund's investments. Any limitations on the value or availability to potential investors in such portfolio investments of tax incentives that benefit solar energy projects, such as the investment tax credit and accelerated depreciation deductions, could result in such investors generating reduced revenues and economic returns and facing a reduction in the availability of affordable financing, thereby reducing demand for renewable energy investments. Any effort to overturn federal, state or foreign laws, regulations or policies that are supportive of renewable energy generation or that remove costs or other limitations on other types of electricity generation that compete with solar energy projects could negatively impact the ability of such portfolio investments to compete with traditional forms of electricity generation and materially and adversely affect the business of such portfolio investments.

Agriculture Investments. The Funds may invest in farmland or make other agriculture-related investments. Demand for agricultural products and farmland usually is correlated with economic conditions prevailing in the local market, which in turn are dependent on the macroeconomic condition of the country in which the market is located. As a result, the financial condition and results of operations of such investments are, to a considerable extent, dependent upon political and economic conditions prevailing from time to time in the countries where such investments operate. In addition, certain agricultural investments may be particularly sensitive to weather patterns and climate conditions such as fluctuations in precipitation and the flow of the watersheds or the incidence of floods or drought in a region where a portfolio company operates. These events could result in the partial or total loss of an investment or significant down time resulting in lost revenues, among other potentially detrimental effects.

Infrastructure Investments. The Funds may make investments in infrastructure and infrastructure-related assets, businesses and companies ("Infrastructure Assets"), which involve a number of significant risks. Portfolio company revenues can be affected by a number of factors including economic conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of Infrastructure Assets may adversely affect the overall profitability of the investment. For instance, investments in Infrastructure Assets may be affected by the prevailing prices of related commodities such as oil, gas and coal. Furthermore, events outside the control of a portfolio company in which the Funds invest, such as political action and governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, toll, tariff and other fee rates, social stability, technical obsolescence,

competition from untolled or other forms of transportation, natural disasters (such as fire, floods, earthquakes and typhoons), changes in weather, changes in demand for products or services, defective design or construction, bankruptcy or financial difficulty of a major customer, or acts of war or terrorism and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities. In turn, this may impair a portfolio company's ability to repay its debt or even result in termination of an applicable concession or other agreement. As a general matter, the operation and maintenance of Infrastructure Assets or businesses involve various risks, many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. Furthermore, once Infrastructure Assets become operational, they may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.

Intellectual Property and Life Sciences Sector Investments. Certain Funds may invest in intellectual property ("IP"), pharmaceutical or health care related assets, including those pertaining to pharmaceutical products and franchise rights. Investment in such assets involves a high degree of business, financial, technology, regulatory and litigation risk that can result in substantial losses. Some of these risks relate to the assets themselves, while others relate to the products utilizing these assets and to the companies manufacturing or marketing these products. The acquisition prices of such assets will often be based, in part, on sales projections with respect to the related products, which projections may prove to be inaccurate. To the extent a related product (e.g., a new pharmaceutical product) has not yet received all applicable governmental approvals, there is a risk that the product will not obtain such approvals or, if obtained, may be revoked due to previously unknown or undisclosed side effects or complications. Further, government policies and regulations applicable to such assets may change in ways that adversely affect the duration and/or scope of IP protections, or adversely affect the companies or related products' marketability.

Certain Funds may also invest in companies or investment vehicles which own valuable IP (including patents, trademarks and servicemarks), pharmaceutical or health care related assets. The companies which own such assets and/or manufacture and market the products related to such assets may have limited operating histories or insufficient management or marketing personnel. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies and certain of these companies and the Funds may become involved in lawsuits with respect to the assets that they own and the exploitation of such assets acquired by the Funds may necessitate litigation. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio investment to significant liabilities to third parties. As a result, these companies and such Funds may expend considerable resources prosecuting and defending these lawsuits, the rights in the assets may be deemed invalid or unenforceable, the Funds may not be able to exploit such assets as expected and the Funds may suffer significant losses.

Additionally, certain Funds may invest in IP rights or companies that own IP rights that are governed by non-U.S. jurisdictions. Non-U.S. jurisdictions may provide significantly less protection than the United States because they may have no IP laws, or if they do have IP laws, such laws may be inadequate or poorly enforced. There is also the risk that a company may not apply for protection in all of the non-U.S. jurisdictions where it does business.

Structured Finance Securities. Certain Funds may invest in structured finance securities. Structured finance securities are generally debt securities that entitle the holders thereof to receive payments of interest and principal that depend primarily on the cash flow from or sale proceeds of a specified pool of assets, either fixed or revolving, including commercial loans, high-yield and investment grade debt, structured securities and derivative instruments relating to debt, that by their terms convert into cash within a finite time period, together with rights or other assets designed to assure the servicing or timely distribution of proceeds to holders of such securities.

Investing in structured finance securities entails various risks, including credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks, geographical concentration risks, basis risks and legal risks. Structured finance securities are subject to the significant credit risks inherent in the underlying collateral and to the risk that the servicer fails to perform. Such securities may include credit enhancements designed to raise the overall credit quality of the security above that of the underlying collateral, but insurance providers and other sources of credit enhancement may fail to perform their obligations.

Structured finance asset 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 such structured finance products, which represent the highest credit quality in the pool, have the greatest collateralization and pay the lowest spreads over U.S. treasuries. Lower-rated tranches of such structured finance products 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 such structured finance products are especially sensitive to the rate of defaults in the collateral pool. In addition, the exercise of redemption rights, if any, by more senior tranches of such structured finance products 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. The applicable Funds expect that some structured finance securities they may hold will be subordinate in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same pool of assets. In addition, many of the related transactions have structural features that divert payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool exceeds certain levels. Consequently, such securities have a higher risk of loss as a result of delinquencies or losses on the underlying assets. In certain circumstances, payments of interest may be reduced or eliminated for one or more payment dates. Additionally, as a result of cash flow being diverted to payments of principal of more senior classes, the average life of such securities may lengthen.

Structured finance securities are also subject to the risks of the assets securitized. In particular, they are subject to risks related to the quality of the control systems and procedures used by the parties originating and servicing the securitized assets. Deficiencies in these systems may negatively affect the value of the securities, including by resulting in higher-than-expected borrower delinquencies or the inability to effectively pursue remedies against borrowers due to defective documentation.

Finally, there can be no assurance that a liquid market will exist in any structured finance product when a Fund seeks to sell its interest therein and it is possible that a Fund's investment in such

structured finance products will be subject to certain contractual limitations on transfer. This could prevent a Fund from exiting such an investment when it would be most beneficial to returns to investors and may cause the Fund to incur losses that it otherwise would not have.

Securitization and Structured Finance. To finance investments, certain Funds may securitize or otherwise repackage certain of their investments, including through the formation of a real estate investment trust or one or more CLOs, collateralized debt obligations and/or other similar securities, while retaining all or most of the exposure to the performance of these investments. This would typically involve creating an investment vehicle, contributing a pool of Fund assets to such vehicle or a related entity, and selling debt interests in such entity on a non-recourse or limited-recourse basis to purchasers.

If a Fund were to create such an investment vehicle, it would depend on distributions from the investment vehicle's assets out of its earnings and cash flows to enable the Fund to make distributions to its investors. The ability of such an investment vehicle to make distributions will be subject to various limitations, including the terms and covenants of the debt it issues. For example, tests (based on interest coverage or other financial ratios or other criteria) may restrict the Fund's ability, as the holder of an investment vehicle's equity interests, to receive cash flow from these investments. There is no assurance any such performance tests will be satisfied. Also, an investment vehicle may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower. As a result, there may be a lag, which could be significant, between the repayment or other realization on a loan or other assets in, and the distribution of cash out of, such an investment vehicle, or cash flow may be completely restricted for the life of the relevant investment vehicle.

We expect that the terms of the financing that any investment vehicles enter into will generally provide that the principal amount of assets must exceed the principal balance or market value of the related debt by a certain amount, commonly referred to as "over-collateralization." We anticipate that the financing terms may provide that, if certain delinquencies and/or losses exceed specified levels, the required level of over-collateralization may be increased or may be prevented from decreasing as would otherwise be permitted if losses or delinquencies did not exceed those levels. Failure to obtain favorable terms with regard to over-collateralization may materially and adversely affect the liquidity of a Fund. If assets held by such investment vehicles fail to perform as anticipated, their over-collateralization or other credit enhancement expenses may increase, resulting in a reduction in income and cash flow to the Fund from these investment vehicles.

In some cases, relatively short-term credit facilities may be used to finance the acquisition by an investment vehicle of loans and other assets until a sufficient quantity of assets is accumulated, at which time the assets may be refinanced through a portfolio-level financing, such as a securitization. As a result, if a Fund uses this approach, it will be subject to the risk that they will not be able to acquire, during the period the short-term facilities are available, a sufficient amount of eligible assets for the purposes of a securitization. A Fund will also bear the risk that they will not be able to obtain such short-term credit facilities or may not be able to renew any short-term credit facilities after they expire should they find it necessary to obtain extensions for such short-term credit facilities to allow more time to seek and acquire the necessary eligible instruments for a long-term financing. Inability to renew or extend these short-term credit facilities may require a

Fund to seek more costly financing for these assets or to lose the ability to utilize them in connection with a securitization.

In addition, a decline in the credit quality of loans in an investment vehicle due to poor operating results of the relevant borrower, declines in the value of loan collateral or increases in defaults, among other things, may force an investment vehicle to sell certain assets at a loss, reducing their earnings and, in turn, cash potentially available for distribution to the Fund for distribution to its investors.

The equity interests that a Fund will hold in such an investment vehicle will not be secured by the assets of the investment vehicle, and the Fund will rank behind all known or unknown creditors, whether secured or unsecured, of the investment vehicle. To the extent that any losses are incurred by the investment vehicle in respect of any collateral, such losses will be borne first by the Fund as owner of equity interests.

Loan Origination. Certain Funds or subsidiaries thereof (including subsidiaries treated as corporations for U.S. federal income tax purposes) may from time to time originate loans consistent with their investment objectives. In making loans, a Fund or subsidiaries thereof will compete with a broad spectrum of lenders, some of which may be willing to lend money on better terms (from a borrower's standpoint) than such Fund. Increased competition for, or a diminution in the available supply of, qualifying loans may result in lower yields on such loans, which could reduce returns to the Fund.

In addition, loan origination involves a number of particular risks that may not exist in the case of secondary debt purchases, including:

- when originating loans, we will generally have to rely more on our own resources to conduct due diligence of the borrower, which will likely be more limited than the diligence conducted for a broadly syndicated transaction involving an underwriter;
- if the Funds or subsidiaries thereof engage in loan origination with the intent of selling a portion of, or assigning participations in, such investment to other Funds or Related Funds or third-parties, there is no guarantee that such sale or assignment will be successful and the Funds may be forced to hold a greater portion of such investment than intended, which would expose the Funds to the risk of greater losses if such loans decline in value. The Funds' ability to engage in certain loan originations above a certain size and to structure such loans in a certain way may also depend on their ability to partner with other investors. As a result, a Fund could fail to capture some loan origination investment opportunities if they cannot provide "one-stop" financing to a potential portfolio company either alone or with other investment partners;
- loan origination may involve additional regulatory risks given the requirement to hold a license for certain types of lending in some jurisdictions. It is expected that the Funds or subsidiaries thereof generally will conduct their activities in such a manner so as not to require any entities associated with the Funds to obtain banking or lending licenses, whereas competitors may have licenses or other regulatory authorizations, approvals or statuses in certain jurisdictions that are not available to, or may not be obtained by, the

Funds. This could give such competitors an advantage in sourcing opportunities in such jurisdictions. We will review and take advice on the loan origination regulations in each relevant jurisdiction and seek to ensure that the Funds' investments are compliant with such regulations. However, the scope of these regulatory requirements (and certain permitted exemptions) vary from jurisdiction to jurisdiction and may change from time to time. If the Funds or subsidiaries thereof fail to comply with any such regulations, it could result in the imposition of fines, prohibitions on activities or other sanctions that could materially impair the Funds' (or their subsidiaries') ability to carry out loan origination or lead to financial losses of the Funds. The risk of non-compliance is increased in certain jurisdictions in which there is limited established market practice and an absence of clear regulations and guidance from regulators;

- the borrowers for such loans may in some circumstances be higher credit risks who could not obtain debt financing in the syndicated markets;
- the Funds or subsidiaries thereof may originate loans that allow for voluntary prepayments, and the timing of any such prepayments cannot be predicted with any accuracy. Early payments of loans originated by the Funds or subsidiaries thereof could cause the Funds not to achieve their expected returns on such investments, and such prepayments may be made during a period of declining interest rates or otherwise unfavorable market conditions for the Funds;
- if the Funds or subsidiaries thereof originate loans that are secured by collateral, the value of such collateral can be extremely difficult to predict, and adverse changes in the value of the collateral could materially and adversely affect the value of the Funds' investments in such loans, or the amounts it would recover in the event of a borrower's default;
- the terms of the loans that the Funds or subsidiaries thereof originate or in which they otherwise invest may restrict the Funds or applicable subsidiaries from bringing an enforcement action against the relevant borrower or issuer until a prescribed period after a default by that borrower or issuer has elapsed. The financial strength of the borrower or issuer may, however, continue to deteriorate during this standstill period, thereby potentially affecting the Funds' ability to recover all or any of their investment; and
- if a Fund was treated as engaged in loan origination for U.S. federal income tax purposes, it may have adverse tax consequences for certain of its investors. Originated loans may also bear a higher combined marginal rate of U.S. taxation for all or some of the Fund's investors than other types of investments.

Reliance on Our Professionals. 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, and we cannot assure that any individual professional will continue to be associated with a Fund or that replacements will perform well. 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. Should any of these professionals be prohibited from working for us in the jurisdiction in which they are currently based and be required to cease their association with us (whether due to changes in immigration laws or policies or otherwise),

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. The ability to recruit, retain and motivate such professionals is dependent in part on the ability of the Funds to offer attractive incentive opportunities. Tax reform enacted in 2017 in the United States has increased the holding period required in order for professionals to treat carried interest as capital gain, which may increase the amount of taxes such professionals would be required to pay with respect to their carried interest. In addition, legislation has been enacted in the United Kingdom which, among other things, generally has the effect of materially increasing the amount of taxes payable on carried interest. If additional or similar legislation were to be enacted in the United States and/or in any other applicable jurisdiction, our ability to offer such attractive incentive opportunities would be adversely affected.

Reliance on the Management of Portfolio Companies. We anticipate that investments (whether debt or equity) made by a Fund will generally be non-controlling investments, meaning the Fund will not be in a position to control the management, operation and strategic decision-making of the companies they invest in. As a result, a Fund will be subject to the risk that a portfolio company it does not control, or in which it does not have a majority ownership position, may make business decisions with which it disagrees, and the equity holders and management of such a portfolio company may take risks or otherwise act in ways that are adverse to the Fund's interest. Due to the lack of liquidity for the debt and equity investments that the Fund will typically hold in its portfolio companies, the Fund may not be able to dispose of their investments in the event that they disagree with the actions of a portfolio company, and may therefore suffer a decrease in the value of their investments.

In particular, instances of fraud, intentional breaches and other deceptive practices committed by the management teams of portfolio companies could materially adversely affect the valuation of a Fund's investments. Furthermore, under certain circumstances, collateral securing an investment may be disposed of, released or otherwise hypothecated without the consent of a Fund, or a Fund's security interest may be unperfected for a variety of reasons, including the failure to make required filings by lenders or a portfolio company. As a result, a Fund may not have priority over other creditors or recourse to assets as anticipated and relied upon by the Funds to protect the value of their investment.

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

Risks Associated with Publicly-Traded Securities. Certain Funds may invest in publicly-traded securities, and may hold publicly-traded securities following a partial exit from an investment. When investing in public securities, a Fund may be unable to obtain financial covenants or other contractual rights, including management rights, that they might otherwise be able to obtain in making privately-negotiated investments. Moreover, a Fund may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to privately negotiated investments. Furthermore, a Fund would be limited in their ability to make investments, and to

sell existing investments, in public securities if we have material, non-public information regarding the issuers of those securities or as a result of other internal policies. The inability to sell public securities in these circumstances could materially adversely affect the investment results of the Fund. In addition, a Fund may sell a portfolio investment to a public company where the consideration received consists (at least in part) of stock of the public company, which may be subject to lock-up periods. A Fund's investments in securities of publicly traded companies may be sensitive to movements in the stock market and trends in the overall economy. Moreover, the ability of portfolio investments to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise.

Uncertainty Regarding Investments. Although we dedicate substantial time and resources to conduct appropriate due diligence prior to making an investment, the due diligence process is subjective at times and may be undertaken on an expedited basis and on the basis of imperfect information in order to take advantage of available investment opportunities. The due diligence process also at times requires us to rely on the limited resources available to us including information provided by the target of the investment and third-party consultants, legal advisers, accountants and investment banks. As a result, the due diligence investigation may not reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. Our due diligence investigations cannot ensure the success of our investments.

Tax Considerations. We expect the Funds to be subject to income and/or withholding taxes and tax return filing obligations in various jurisdictions in which they conduct investment activities. The rate of any withholding taxes and the creditability of such taxes typically depend in part on the facts and circumstances relating to the particular investment and generally would differ for each investment.

The Funds may invest in jurisdictions in which the tax treatment of the Funds and their activities is uncertain or subject to changing interpretations (including retroactively) or enforcement practices. The Funds will take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. In particular, there are significant uncertainties regarding the interpretation and application of the broad-based reform of the Internal Revenue Code of 1986, as amended (the "Code") that was signed into law on December 22, 2017 (the "Tax Act"). While additional guidance on the Tax Act is expected, the timing, scope and content of such guidance are not known. Changes the Tax Act made to the Code and any further changes in tax laws or interpretation of such laws may be adverse to the Funds.

Significant Regulatory Scrutiny. The financial services industry generally, and the activities of private investment funds and their managers, in particular, have in recent years been subject to intense and increasing regulatory oversight. As a result of such oversight, we anticipate that, in the normal course of business, our officers will have contact with governmental authorities and/or need to respond to inquiries or examinations and/or implement new policies and procedures. We would also expect the Funds to be subject to regulatory inquiries concerning their securities positions and trading. Such burdens may divert our time, attention and resources from portfolio management activities. In addition, regulatory investigations could harm our reputation, which could adversely affect its ability to consummate transactions on behalf of the Funds.

The passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) 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 SEC adopted rules that require reporting by registered investment advisers to private funds, which have added costs to our legal, operations and compliance obligations, and those of the Funds and their general partners, and have increased the amount of time that we spend on non-investment-related activities.

The Dodd-Frank Act currently 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. It is difficult to predict the future of the Dodd-Frank Act or to anticipate the effect of these and other regulatory changes on a Fund and its general partner, and such continued uncertainty may increase market volatility, making it more difficult for us to execute the investment strategy of a Fund and may otherwise negatively impact the operations, cash flows or financial condition of, or impose additional costs on and intensify the regulatory supervision of, a Fund.

In addition, on August 25, 2015, the U.S. Treasury Department’s Financial Crimes Enforcement Network released a notice of proposed rulemaking that would impose anti-money laundering compliance obligations on registered investment advisers. These proposed rules (or other rules that may be proposed in the future) may further increase our compliance obligations and related costs, require us to obtain certain information or representations from investors and increase the amount of time we spend on non-investment-related activities.

The implementation of the European Union’s AIFM Directive may 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 that has implemented the AIFM Directive. The AIFM Directive applies to a 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”).

A Fund’s general partner is restricted in marketing the Fund to investors who are domiciled, resident or have a registered office in any EEA Member State where the AIFM Directive is in force. This could limit the Fund’s ability to attract investors, resulting in a lower overall amount of capital, which limits the range of investment strategies and investments that the Fund is able to pursue and make.

We and a Fund’s general partner may 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, may be required to comply with registration requirements, including the requirement to appoint a depository. 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 we and the Fund’s general partner can deploy the capital raised.

The AIFM Directive imposes certain requirements and restrictions on a Fund where the Fund acquires control of a portfolio company in an EEA Member State. These requirements include making certain notifications and disclosures where a Fund acquires or disposes of shares in an EEA portfolio company. The restrictions 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 company. 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 us 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 remains 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.

Regulation of the Funds' Investment Activities. Regulation of the investment activities carried on by the Funds, in particular the origination of loans and other credit investments, may in the future lead to one or more of the Funds being required to obtain one or more banking or other financial services licenses, as a result of which such Funds would have to comply with laws and regulations applicable to banks or other financial services providers. The application of such laws and regulations would have a considerable impact on the nature and volume of investments pursued by the Funds. Obtaining a banking or financial services license may be costly and take a number of months, and there is no assurance that any Fund will obtain all required licenses on a timely basis. In the course of obtaining any required licenses, a Fund may directly or indirectly become subject to additional regulatory requirements applicable to banks and financial institutions, including capital, liquidity, risk management, organizational, remuneration, regulatory reporting and disclosure requirements and loan and borrower size-limits. Failure to obtain or maintain licenses would materially restrict the investment activities of a Fund.

Changes in Laws or Regulations. Changes to the laws and regulations governing a Fund's operations may cause the Fund to alter its investment strategy in order to take advantage of new or different opportunities. These changes could result in material differences to the strategies and plans described herein and may result in the Fund's investment focus shifting. In addition, such changes could make it materially more difficult for the Fund to pursue its investment objectives and could have a material adverse effect on the business and prospects of the Fund and its portfolio companies and, consequently, the returns to investors.

Subscription Facility, Other Financings and Cross-Default Risk. Certain Funds utilize indebtedness or other asset-level financing. This indebtedness or financing may be structured in a way that

- Funds are jointly responsible on a cross-collateralized basis for the repayment of the indebtedness or financing; and
- the commitments of the investors in a Fund are pledged to secure indebtedness or financing obtained for the benefit of other Funds.

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

Non-U.S. Investments. The Funds make investments outside of the United States, including in certain developing foreign markets. Investments in the securities of foreign issuers may be restricted or controlled to varying degrees. These investments require consideration of risks typically not associated with investing in U.S. securities or property, including, among other things:

- trade balances and imbalances and related economic policies;
- potential price volatility in, and relative illiquidity of, some non-U.S. securities markets;
- unfavorable currency exchange rate fluctuations;
- imposition of exchange control regulation by the U.S. or foreign governments;
- U.S., foreign or other withholding taxes;
- limitations on the removal of funds or other assets;
- extensive government regulation of, and involvement in, certain industries, public and private markets and the economy as a whole;
- policies of governments with respect to possible nationalization of their industries; and
- political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

Laws and regulations of foreign countries may impose restrictions that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. There is generally less publicly available information about foreign companies than would be the case for comparable companies in the United States, and certain foreign companies are not subject to accounting, auditing and financial reporting standards

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

Eurozone Risks. Certain Funds target investments in European assets and companies and companies that have operations that may be affected by the Eurozone economy. As with all European investments, there are risks related to investing within the Eurozone, including a risk of recession in certain European countries. If a recession were to occur in one or more of such countries, the Funds' European investments could be materially impacted.

In the years immediately following the start of the global financial crisis, a financial crisis emerged in Europe that was triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which caused concerns about the ability of these nations to continue to service their sovereign debt obligations. While recent economic conditions have improved significantly in many Eurozone countries and there is increasing optimism regarding the economic outlook for many of these countries as well as for the Eurozone as a whole, concerns persist regarding the ability of certain European countries to continue to service their sovereign debt obligations. The ongoing risks resulting from the debt crisis in Europe could still have a detrimental impact on the global economic recovery, sovereign and non sovereign debt in these countries and the financial condition of European financial institutions going forward. These uncertainties have caused, and may continue to cause, instability in the credit markets in certain countries, including countries where certain Funds may make investments. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. If there were to be a return to relatively weak growth or a recessionary environment, concerns relating to sovereign and other debt obligations that were prevalent in the years following the global financial crisis, such as proposals for investors to incur substantial write-downs and reductions in the face value of sovereign debt and various proposals for support of affected countries and the euro as a currency, may re-emerge. In the event of a severe downturn, concerns may re-emerge regarding default of certain participating member states of the European Union, that certain member states may cease to use the euro as their national currency, that one or more member states may seek to withdraw from European Union membership, or even that the Eurozone as it is constituted today could collapse, which would likely have an adverse impact on the European and global economy and, consequently, on the Funds. Concerns over the effect of this financial crisis on financial institutions in Europe and globally could have an adverse impact on the capital markets generally, and more specifically on the availability of credit to certain Funds or their portfolio investments, uncertainty and disruption in relation to financing generally, disruption of customer and supply contracts denominated in euro and wider economic disruption in markets served by those companies, while austerity and other measures introduced in order to limit or contain these issues may themselves lead

to economic contraction and resulting adverse effects for borrowers or issuers in which the Funds hold investments.

It is possible that a number of a Fund's investments will be denominated in euro. Despite measures undertaken to alleviate the financial instability resulting from the recent debt crisis in Europe, concerns persist regarding the overall stability of the euro and its suitability as a single currency for the Eurozone, given the diverse economic and political circumstances in individual Eurozone countries. These concerns may cause the value of the euro to fluctuate more widely than in the past and could lead to the re-introduction of individual currencies in one or more Eurozone countries, or, in more extreme circumstances, the possible dissolution of the euro currency entirely. The re-introduction of certain national currencies or the complete dissolution of the euro could adversely affect the value of a Fund's euro-denominated assets and liabilities. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time, and such consequences are uncertain and difficult to predict. Legal uncertainty about the funding of euro-denominated obligations following any break-up of or exits from the Eurozone (particularly in the case of investments in companies in affected countries) could have material adverse effects on a Fund's investments and, consequently, returns to investors.

Despite attempted harmonization of relevant regulations and standards across the European Union, there may be less publicly available information about companies in certain jurisdictions than would be the case for comparable companies domiciled in developed Western European markets and such companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of such Western European jurisdictions.

Certain countries may also require governmental approval prior to investments by the Funds, or limit the amount of investment by the Funds in a particular company or specific class of securities of a company that may have less advantageous terms than the classes available for purchase by competitors. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital or earnings, as well as by the application to the Fund of restrictions on investments.

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

Laws and legal standards in many emerging market countries differ from those in the United States. The general trend of legislation in certain countries has improved the legal climate for business,

including by enhancing somewhat the protection afforded foreign investment. This positive trend in economic legislation, however, may slow, cease or reverse, particularly in the event of a change in leadership, social disruption or other circumstances. In addition, many emerging market countries do not have well-developed shareholder rights and provide inadequate legal remedies for breaches of contract (e.g., a shareholder or credit agreement). A Fund's ability to bring suit against an emerging market entity in which the Fund invests, or such entity's directors, executive officers or shareholders, may be limited. Such entities are likely organized under the laws of countries other than the United States, their directors and officers likely reside outside of the United States, and substantially all of their assets may be located outside of the United States. As a result, the Fund will likely be unable to effect service of process within the United States upon such entities or their directors and officers. Even where a Fund successfully sues an entity in the United States, enforcement of the judgment in certain jurisdictions may be difficult or impossible. Limited or inadequate legal protection could have a material adverse effect on a Fund's investments.

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

Co-Investment Warehousing and Syndication. A Fund from time to time will acquire and 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. In such event, the Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the Fund may bear the entire portion of any break-up fee or other fees, costs, and expenses related to such investment, hold a larger than expected investment in such investment, or may realize lower than expected returns from such investment. 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. A Fund will also bear the risk that any co-investors acquiring a portion of an investment after closing may acquire such interest on terms that may not reflect the then-current value of the investment. A Fund may also borrow to fund the portion of an investment that it intends to sell to co-investors and the Fund may bear the interest and other expenses relating to any such borrowing. We typically determine the cost of the co-investment in our sole discretion, taking into account its cost to the relevant Fund, the cost of capital and other factors, and may not charge the co-investors an amount that accurately reflects any appreciation in the value of the investment or appropriately compensates the Fund for the costs and risks incurred during the holding period.

Additionally, Sixth Street and/or its related persons, Funds, joint venture partners, or affiliates or related parties of the foregoing could acquire an investment as principal and subsequently sell some or all of such investment to the Funds, Related Funds and/or co-investment vehicles in an affiliate or related party transaction. Similarly, the Funds may acquire an investment and subsequently syndicate, or sell some or all of it, to Sixth Street and/or its related persons, Funds, co-investment vehicles, joint venture partners, or affiliates or related parties of the foregoing or other third parties. We may cause these transfers to be made at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer, notwithstanding that the

fair market value of any such investments may have declined below or increased above cost from the date of acquisition to the time of such transfer. We may also determine another methodology for pricing these transfers, including fair market value at the time of transfer. Also, we may charge fees on these transfers to either or both of the parties to them. Conflicts of interest are expected to arise in connection with these affiliate transactions, including with respect to timing, structuring, pricing and other terms. For example, we will have a conflict of interest when determining the price at which we or an affiliate will enter into a transaction with the Funds or when we receive fees, including carried interest, from a Related Fund acquiring from or transferring to the Funds all or a portion of an investment. The Funds' limited partners and the advisory committees may not be entitled to receive notice or disclosure of the occurrence of these conflicts.

Potential Reporting Obligations; Other Regulatory Regimes. Acquisitions by a Fund of equity securities may result in reporting and compliance obligations under the Exchange Act and the U.S. 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 investors, to other regulatory and reporting requirements. Investments in particular industries, including the communications, insurance and mortgage industries, could require the Funds to secure regulatory approvals or licenses, or to disclose information about themselves or their 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 their 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 the Funds.

Disclosure of Information. Certain investors will be subject to state public records, similar freedom of information or other laws, which may compel public disclosure of confidential information regarding a Fund, its investments and its investors, and the Fund may be required to disclose confidential information in connection with transactions. There has been a recent increase in the number of requests for contracts (including partnership agreements, subscription agreements and any side letters) that investors that are subject to such laws have in place with private investment funds, as well as offering and other materials related to such funds. The Funds may incur expenses in connection with responding to any such disclosure requests, even if the Funds ultimately succeed in asserting confidentiality for any requested documents and other materials. Moreover, notwithstanding the obligation that the investors will have pursuant to the Governing Documents to maintain the confidentiality of a Fund's information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise. We may also, in certain circumstances, in an effort to protect any such potential disclosure, withhold all or any part of the information we would otherwise provide an investor.

In addition, we will generally be permitted under the terms of the Governing Documents to disclose certain information relating to the Funds, including the identities and other information relating to the investors, as may be required by or desirable to comply with applicable laws or regulations or the rules of relevant governmental entities or regulatory bodies, or otherwise as we determine necessary or advisable in connection with a regulatory or similar examination. We will also generally be permitted to disclose such information to other investors (or prospective investors in the Funds or any Related Funds), and to certain third parties, including where it is necessary or desirable in connection with the making, management or disposition of any portfolio investment.

We will generally seek to make any such disclosures on a confidential basis but there can be no assurances that the recipients of such information will comply with any applicable undertaking or duty to maintain such confidentiality (whether intentionally or inadvertently).

The public disclosure of any confidential information relating to a Fund, the investors or the Fund's investments may adversely affect the Fund and its investment activities or any investor.

Third-Party Involvement. Funds co-invest from time to time with third parties through joint ventures or other entities. These investments involve risks in connection with such third-party involvement, including the possibility that a third-party co-investor or co-venturer has financial, legal or regulatory difficulties that negatively affect the 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 co-investors or co-venturers. In circumstances in which third parties involve a management group, such third parties may receive compensation relating to the investments, including incentive compensation arrangements or fees based on the value of assets managed, that could cause their interests to diverge from those of a Fund.

Risk Management; Operational Controls. Although we will seek to manage investment risks by employing appropriate due diligence, oversight, analysis and pricing models both prior to and during the Funds' investment in a portfolio investment, there is no assurance that these methods will identify all relevant considerations and risks. Further, the operational controls and risk management techniques used by us and a Fund's general partner involve third parties over whom we 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 its assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques we use also necessarily include subjective elements, making the judgment and discretion of our investment and "Federation" professionals (*i.e.*, control-side personnel), fundamental to the risk management process. The greater the importance of subjective factors, the more challenging it becomes for us to control for risk, which in turn increases the likelihood of unpredictable results with respect to a portfolio company and a Fund's overall performance.

Additional operational risks arise from such factors as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology (including those highlighted below under "*Cybersecurity Risk*"), changes in personnel and errors caused by third parties. While we seek to minimize these events through controls and oversight, the Funds' terms and structure are complex and there may still be failures that could cause losses to a Fund.

In addition, the structure and the terms of the Governing Documents of the Funds, including in particular the TAO Funds, are complex and present us with novel operational challenges. The complexity and distinctiveness of the TAO Funds increase the probability that we will face significant interpretation issues under the Governing Documents, and also increase the risk that we will make operational errors when implementing its terms. See "*Item 11 – Conflicts Related*

to the Interpretation of Governing Documents and Other Legal Requirements” below for additional information.

Dependency on Information Systems and System Failures

The Funds are highly dependent on the communications and information systems of Sixth Street, its affiliates and third parties. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in the Funds’ activities. The Funds’ financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond Sixth Street’s control and adversely affect the Funds’ business. For example, there could be sudden electrical or telecommunications outages; natural disasters such as earthquakes, tornadoes and hurricanes; disease pandemics; events arising from local or larger scale political or social matters, including terrorist acts; and cyber-attacks. These events, in turn, could have a material adverse effect on the Funds’ operating results and negatively affect the Funds’ ability to make distributions to investors.

Cybersecurity Risk. As our use of technology, particularly internet-based programs and data storage applications, increases, we may be more susceptible to operational risks specific to this technology, including unauthorized access to our information and technology systems or those of joint-venture partners or third-party service providers that hold our information and/or have access to our technology systems. These breaches could result in the misappropriation of assets or confidential information, destruction or corruption of data and/or disruption of our operations. We, our service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite our efforts and those of our service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of our computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to our systems and those of our service providers or counterparties or data within these systems. Third parties, including nation-state or terrorist actors, may also attempt to fraudulently induce employees, customers, third-party service providers or other users of our systems to disclose sensitive information in order to gain access to our data or that of a Fund’s investors or otherwise inflict harm. Whether intentional or unintentional, a cybersecurity breach may cause us, the Funds or portfolio companies to lose proprietary information, suffer data corruption or deletion, expose information to misuse or force us to pay ransom to retrieve data or face its loss. Unauthorized access could lead to

- physical damage to a computer or network system (and costs associated with system repairs),
- loss or theft of investors’ funds,
- the inability to access electronic systems,

- a failure to maintain the confidentiality and privacy of sensitive information (including the loss of investors' confidential or personal information),
- loss of capabilities essential to our, the Funds' and/or the portfolio company's operations,
- financial losses from remedial actions,
- loss of business,
- reputational harm, or
- potential liability.

Cybersecurity risks also result in ongoing preventative measures and compliance costs, including forensic analysis of the origin and scope of any cybersecurity breach, as well as increased and upgraded cybersecurity.

Furthermore, the international nature of our business operations can result in additional risks to our technology and information. At times we are required to disclose or store certain information locally in jurisdictions with relatively weaker protections of corporate proprietary information and assets. We may also transmit information in countries that do not respect the privacy of communications or that restrict the transmission of certain information. Foreign legal or administrative regimes may compromise our control over proprietary data and/or personal information by requiring us to cede to regulators rights over, or allow regulatory inspections of, it. The risk of data theft generally increases in these instances.

U.S. Data Privacy and Security Laws. The United States is in a period of active consideration of additional data privacy and cybersecurity laws. These include the California Consumer Privacy Act ("CCPA"), effective since January 1, 2020, the New York SHIELD Act, a range of proposed additional laws in California, New York, Texas, Utah, Washington and other states, and a range of proposed additional laws at the federal level. The cumulative effects of CCPA and other recently adopted laws include an increased ability of individuals, relative to companies, to control the use of their personal data; increased obligations of companies to maintain the security of data; and increased exposure to fines or damages for companies that do not accord individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity at certain levels of quality. We will endeavor to maintain systems that promote compliance with CCPA and these other laws, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in ensuring compliance with the CCPA and such other laws. In the event of fines or damages due to noncompliance with such data privacy and cybersecurity laws, there may be a business impact on us and the Funds.

Environmental Matters. The ordinary operation of, or the occurrence of an accident with respect to, a portfolio company asset could cause major environmental damage, which may result in significant financial distress to such asset or portfolio company if not covered by insurance. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be

liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons.

Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination. A Fund may therefore be exposed to substantial risk of loss from environmental claims arising in respect of its investments. Furthermore, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups may protest about the development or operation of portfolio company assets, which may induce government action to the detriment of a Fund. New and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations or requirements, could impose substantial additional costs on a portfolio company, or could otherwise place a portfolio company at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on a portfolio company.

Even in cases where a Fund is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of the Fund to achieve enforcement of such indemnities.

OFAC and FCPA Considerations. Economic sanction laws in the United States and other jurisdictions may prohibit us, a Fund and its portfolio companies from transacting with certain countries, individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These types of sanctions may significantly restrict or completely prohibit certain investment activities, and if a Fund or its portfolio companies were to violate any such laws or regulations, it may face significant legal and monetary penalties.

The U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws and regulations may also apply to and restrict the activities of certain Funds and their portfolio companies. If a Fund or its portfolio company were to violate any such laws or regulations, such the Fund or portfolio company may face significant legal and monetary penalties. Even if an investigation or proceeding does not result in a finding of a violation of any such laws or regulations, or the penalties a regulator imposes against a Fund or its portfolio company were small in monetary amount, the costs associated with regulatory investigations or adverse publicity relating to the investigation or proceeding could adversely affect the business, financial condition or results of operations of the Fund or portfolio company. The U.S. government has indicated that it is particularly focused on FCPA enforcement, which may increase the risk that a Fund or its portfolio company becomes the subject of such actual or threatened enforcement. In addition, certain commentators have suggested that private investment firms and the funds that they manage may face increased scrutiny and/or liability with respect to the activities of their underlying portfolio

companies. As such, a violation of the FCPA or other applicable regulations by a Fund or its portfolio company could have a material adverse effect on the Fund.

Model Risk. We intend to use proprietary models developed by us and other service providers to value certain Funds' assets and to assess investment opportunities and risk. The models generate results from inputs, including:

- market data, such as spot and forward currency rates, forward swap and deposit rates and prices of underlying instruments;
- our views and those of other services providers on the value of certain illiquid instruments for which observable market data is not available; and
- the output of other models, including models used to construct forward curves, survival curves, discount curves and volatility surfaces, and, for certain swaps, other probability-based models.

Market inputs to the models are derived from observable sources that we believe to be reliable but has not necessarily independently verified.

The models also rely on certain assumptions intended to simulate future market conditions for computational purposes. The assumptions and theoretical analyses underlying the models may not be appropriate for all possible outcomes and the parameters and inputs used in the models may not be representative of all possible market conditions. Model outputs are also subject to historical correlation assumptions and methodologies that may prove to be inaccurate or incorrect. Use of models that prove to be inappropriate or inaccurate could result in investment losses that adversely affect the performance of the Funds.

The model inputs, assumptions and methodologies we use include confidential and proprietary elements that we are not required to share with investors in a Fund. The disclosure of such inputs and assumptions would reveal our valuable trade secrets. The information we may provide to a Fund and, by implication its investors, concerning the models is therefore necessarily limited and incomplete.

Options. Certain Funds buy or sell (write) options, including swaptions, caps, floors or collars as well as variations and combinations of these components. A Fund's options transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another position), a form of leverage or an investment made pursuant to the Fund's investment strategy, in which, for example, the Fund has the right to benefit from movements in foreign exchange, interest rates, credit spreads or the prices of securities or commodities with a small commitment of capital.

The risk-return profile of an option varies depending on the characteristics of the relevant transaction. Where the Fund buys an option, it may suffer a total loss of premium (plus transaction costs) if that option expires without being exercised. An option's time value (*i.e.*, the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date,

the purchaser's ability to realize the value of an option depends on when and how the option may be exercised.

Where a Fund writes an option on an "uncovered basis" (*i.e.*, selling an option when the Fund does not own a like quantity of an offsetting position in the option's underlier), the Fund is exposed to potentially significant loss. The seller of an uncovered call is in an extremely risky position, and may incur large losses if the reference price or value of the underlier increases above the exercise price by more than the amount of any premiums earned. The potential loss of uncovered call writing is unlimited. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the underlier. A Fund may also buy barrier or binary/digital options the value of which can exhibit greater volatility than other types of options, particularly near expiration.

Futures Contracts. Certain Funds invest in futures contracts or options thereon. Futures contracts are traded on regulated futures exchanges. An exchange-traded futures contract provides for the purchase and sale of a specified type and quantity of a product or financial instrument during a stated delivery month for a fixed price. A futures contract on an index of products provides for the payment and receipt of cash based on the level of the index at settlement or liquidation of the contract.

A futures contract provides for a specified settlement month in which the cash settlement is made or in which the product or financial instrument is to be delivered by the seller (whose position is described as "short") and acquired by the purchaser (whose position is described as "long").

If we wish to maintain a Fund's exposure to a futures contract on a particular product with the nearest expiration, we generally must close out its position in the expiring contract through execution of an offsetting transaction in that contract and establish a new position in the contract for the next delivery month, a process referred to as "rolling." Where a futures contract experiences significant illiquidity, however, it may not be possible for us to roll the Fund's exposure in a futures contract in an effective manner. Such illiquidity may also inhibit a Fund's ability to close-out the Fund's futures positions.

Futures positions may become illiquid because, for example, many commodity exchanges limit fluctuations in certain futures contract prices during a single day. These limits are generally referred to as "daily price fluctuation limits," and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price." Once the limit price has been reached in a particular contract, it is possible that no trades may be made at a different price. It is not certain how long any such price limits would remain in effect. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices. In addition, a Fund may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or a regulator may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only.

There is no purchase price paid or received on the purchase or sale of a futures contract. Instead, an amount of cash or cash equivalents must be deposited with a futures commission merchant (a “FCM”) as “initial margin.” This amount varies based on the requirements imposed by the exchange clearing houses, but may be lower than 5% of the notional amount of the futures contract. As a result, low margin or premiums normally required in futures trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss.

Over-the-Counter Derivatives. Certain Funds invest in over-the-counter (“OTC”) derivatives (on rates, currencies, commodities, single-name equity or debt securities, narrow- and broad-based security indexes, credit defaults or other asset classes, events or measures). OTC derivatives, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis.

Seeking exposure to reference assets through OTC derivatives presents risks different from those involved in direct investments in such types of assets. Many OTC derivatives contracts are not centrally cleared, meaning that the Fund would have a contractual relationship only with the OTC derivatives contract counterparty, and not a clearinghouse or the reference entity obligated under the reference obligation. In these situations, the Fund would be subject to the risk that its direct OTC derivatives contract counterparty would not perform its obligations under the contract. The Fund may have no right to enforce compliance by the reference entity with the terms of the reference obligation and may not have any voting or other consensual rights of ownership with respect to the reference obligation. The OTC derivatives contract counterparty generally will not be obligated to own any of the reference obligations. If the OTC derivatives contract is cash settled, the counterparty will not be obligated to deliver any of the reference obligations. Disputes can also arise regarding the settlement prices of OTC derivatives.

The principals who deal in the OTC markets are not required to continue to make markets in the asset classes they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain asset classes or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Unlike participants in other markets (such as the securities markets), participants in many OTC derivatives markets are not subject to any obligation to provide the best price or charge reasonable mark-ups or fees.

Disruptions can occur in the OTC derivatives markets traded by a Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such OTC trading to less than that which we would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruptions may also (i) prevent or delay the calculation of amounts payable under the Fund’s OTC derivatives or the Fund’s ability to make or receive payments or deliveries and/or (ii) result in the application of alternative valuation and settlement mechanisms. The terms and conditions of the Fund’s OTC derivatives may specify alternative methods, or “disruption fallbacks,” that apply when such disruption events occur. The application of these disruption fallbacks may be subject to discretionary determinations by a calculation agent, which may involve subjective judgment and

uncertainty and have a significantly detrimental effect on the economics of the Fund's OTC derivatives.

The reference rates or prices for OTC derivatives may be compiled by an industry association, a government agency or central bank, exchange, clearinghouse, price reporting agency or determined by a designated calculation agent, including based on submissions from financial institutions and other market participants (including participants trading for their own accounts and for customers) or quoted prices or yields of fixed income securities or interest rate swaps. Depending on the manner in which a reference rate or price is calculated and by whom, the reference rate or price can be affected by the particular circumstances of submitting institutions or the supply and demand conditions for particular reference assets or instruments. The integrity of the reference rate or price may also be impaired by unrepresentative data, conflicts of interest or market disruption. The body responsible for defining and compiling a reference rate or price may also make methodological or other changes that could change the value of the reference rate or price or may alter, discontinue or suspend calculation or dissemination of the reference rate or price. As a result of such circumstances, the reference rates or prices for a Fund's OTC derivatives could diverge from the broader market environment in unexpected ways not taken into account as part of the Fund's investment strategy, which could adversely affect the performance of that strategy. In addition, wide-ranging government investigations have resulted in allegations of misconduct against major financial institutions in connection with their benchmark setting and related trading activities. Any such misconduct could adversely affect the results of the Fund's trading in OTC derivatives that reference these benchmarks.

Additionally, the OTC derivatives market has been an area of increased regulatory focus, and changes to the regulation of OTC derivatives could increase transactional costs and adversely affect our ability to pursue effective investment strategies involving OTC derivatives.

Interest Rate Risks. Certain Funds have direct and indirect exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect the value of the Fund. Over any defined period of time, the Fund's interest-bearing assets may be more sensitive to changes in market interest rates than the Fund's interest-earning liabilities, or vice versa. The Fund may obtain leveraged exposure to interest rates, including through interest rate derivatives, which will magnify the sensitivity of the Fund's value to changes in interest rates. Factors that affect market interest rates include:

- inflation;
- slow or stagnant economic growth or recession;
- unemployment;
- money supply and the monetary policies of the Board of Governors of the U.S. Federal Reserve System, the European Central Bank and other monetary system participants;
- the actions of other market participants;
- international disorders; and

- instability in domestic and foreign financial markets.

We expect that a Fund will periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, the Fund may not be able to manage this risk effectively. If a Fund is unable to manage interest rate risk effectively, the Fund's performance could be adversely affected.

Interest Rate Derivatives. Certain Funds are expected to invest in interest rate derivatives including interest rate futures, interest rate swaps, cross currency swaps, swaptions, caps, floors and collars. In its simplest form, an interest rate swap is a transaction where one party agrees to make periodic payments to the other party of amounts accrued at one reference rate (e.g., a fixed rate) on the notional amount over a calculation period in exchange for payments by the other party accrued on the notional amount over the calculation period at another reference rate (e.g., a floating rate, such as the London Interbank Offered Rate with a designated maturity equal to the length of the calculation period).

Where a Fund enters into interest rate derivatives, the impact of market conditions on its position may depend on the Fund's position under the contract. For example, in a fixed-for-floating interest rate swap, from the perspective of a fixed rate payer, an increase in the overall level of fixed interest rates of the relevant tenors in the fixed-for-floating swap market (e.g., an upward shift of the relevant yield curve) will generally cause the swap to increase in value, because the fixed rate payer's contractually specified fixed rate obligations will be relatively lower with respect to the increased fixed rate then prevailing in the market. Conversely, if the overall level of fixed interest rates in the fixed-for-floating swap market falls, the value of the swap to the fixed rate payer will generally decline.

Certain interest rate derivatives capture the risks not only of changes to interest rates but other components as well. For instance, in a cross currency swap, payments are exchanged based on either two floating reference rates, one floating rate and one fixed rate, or two fixed rates, each with a corresponding notional amount denominated in a different currency. The value of a cross currency swap will depend on interest rates and yield curves in each currency, as well as the spot and forward exchange rates between the two currencies. Cross currency swaps also generally involve an exchange of different currencies, in which case settlement risk will be present unless the parties have arranged an effective mechanism for payment-versus-payment settlement.

Where a Fund enters into interest rate derivatives to hedge or mitigate interest rate exposure, there is no assurance that the interest rate derivative will be tailored to those hedging objectives. The success of such a strategy will depend on the detailed terms of the interest rate derivative and the relevant exposure being hedged, as well as future conditions that may affect the Fund's ability to access markets, conditions affecting the Fund's liquidity providers and future changes in interest rates, exchange rates, yield curves and other market and economic factors.

In some cases, an interest rate derivative may contain optional early termination provisions that require a cash settlement. These rights allow a party to terminate an interest rate derivative in whole or in part on one or more dates prior to the end of its scheduled term. Upon early termination, a cash settlement amount may be determined and become payable to the party for whom the interest rate derivative is in-the-money, which cash settlement amount may be

determined by the calculation agent based on market quotations or as the estimated replacement cost for payments and rights that are extinguished upon termination. Where the Fund enters into interest rate derivatives under which its counterparty has an optional early termination right that requires cash settlement or an interest rate derivative that includes mandatory early termination provisions, the Fund potentially may be subject to significant termination obligations with little notice.

Contingent Liabilities. From time to time, a Fund expects to incur contingent liabilities in connection with an investment. For example, a Fund may enter into agreements pursuant to which they agree to assume responsibility for default risk presented by a third party, or may enter into agreements through which third parties offer default protection to the Fund. In connection with the disposition of an investment in a portfolio investment, a Fund may be required to make representations about the business and financial affairs of such company typically made in connection with the sale of assets or a business, and may be required to indemnify the purchasers of such investment to the extent such representations are inaccurate. A Fund may incur numerous other types of contingent liabilities, and there can be no assurance that a Fund will adequately reserve for its contingent liabilities or that such liabilities will not have an adverse effect on the Fund.

Coronavirus Outbreak. The global outbreak of the 2019 novel coronavirus (“COVID-19”) and the measures governmental agencies and the private sector have taken to contain it, including business closures, limitations on public gatherings, travel restrictions and quarantines, have significantly disrupted the global economy and caused severe market dislocation and volatility. While we cannot accurately forecast COVID-19’s ultimate impact at this time, we expect it may have a profound and lasting effect on the Funds, the Funds’ portfolio companies and our ability to manage the Funds’ portfolios and pursue new Fund investments. For example, we anticipate the economic and market conditions resulting from the outbreak may materially and adversely affect the operations and financial position of a significant number of the Funds’ portfolio companies. In addition, COVID-19 and corresponding containment efforts have impaired and will continue to impair, potentially for an extended period of time, our ability to monitor and manage existing Fund portfolio companies as well as source new investments to execute the Funds’ investment strategies. Given the extraordinary nature of COVID-19 and its inherent unpredictability, it may take years to understand the full scope of its ramifications.

General Business and Market Risks. In addition to the risks highlighted in the preceding paragraphs, the investments made by a Fund involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks.

Force Majeure. A Fund’s investments may be susceptible to the effects of uncontrollable forces, including, without limitation, earthquakes, floods, hurricanes, tropical storms, fires, or other natural disasters, electricity shortages or other similar national or local emergencies, that are beyond the control of, and may not be easily foreseeable by a Fund or us.

Availability of Insurance Against Certain Catastrophic Losses. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, typhoons, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risks policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against terrorism. If a major uninsured loss occurs, a Fund could lose both invested capital in and anticipated profits from the affected investments.

ITEM 9 – DISCIPLINARY INFORMATION

Not applicable.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Each of TSSP BD, LLC and TPG BD, LLC (the “BD Affiliates” and each a “BD Affiliate”) is a broker-dealer registered with the SEC and a member of FINRA. In terms of their operations, the BD Affiliates

- place securities and instruments issued by
 - certain private investment funds that we and our related entities manage individually or through our principals (with TSSP BD focusing on the Funds); and
 - other entities not related to us or our related entities; and
 - participate in the syndication of opportunities to co-invest in portfolio companies alongside certain Funds and/or Related Funds (with TSSP BD focusing on the Funds), and third parties.
- Although we generally refer to the BD Affiliates collectively throughout this brochure, the scope of TSSP BD’s regulatory license is narrower than that of TPG BD’s.

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

For a description of material conflicts of interest created by our relationships with the BD Affiliates, please see Item 11 below.

Other Investment Advisers. A non-exclusive list of investment advisers that are affiliates of ours include:

- TSL Advisers, LLC;
- TPG Capital Advisors, LLC;

- TPG Global Advisors, LLC;
- TPG RE Finance Trust Management, L.P.;
- TPG PEP Advisors, LLC; and
- TPG Real Estate Advisors, LLC,

together with their respective relying advisers.

For a description of material conflicts of interest created by the relationship among us and the Related Advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

General Partners of Funds. Various entities serve as general partners of the Funds, 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

TPG has adopted a comprehensive Code of Ethics that is applicable to, among others, all of our officers and employees, certain temporary personnel and certain of our affiliates and their officers and employees (collectively, the “Covered Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations.

Covered Personnel and certain members of 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 Fund, 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 TPG’s Compliance department (“TPG Compliance”); or
- the transaction is exempt from pre-clearance under the Code of Ethics.

Prior to submitting a pre-clearance request to TPG Compliance, Covered Personnel must also pre-clear with Sixth Street leadership transactions in “covered securities” (as defined in the Code of Ethics).

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

Under the Code of Ethics, Covered Personnel also are required to file certain periodic reports as required by Rule 204A-1 under the Advisers Act. The records of any such trades by Covered Personnel will not be open to inspection by investors. Our management may from time to time implement additional internal policies or restrictions on trading by Covered Personnel and their family/household that are in addition to the requirements of our Code of Ethics.

We will provide a copy of the Code of Ethics to any Fund 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 Funds, or buys or sells for Funds’ 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 Funds;
- recommends securities to Funds, or buys or sells securities for Fund 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/or
- encounters related conflicts of interest.

Conflicts of Interest

As discussed further below, we and our related entities engage in a broad range of activities, including pursuing investments for the Funds, other investment funds and other accounts and providing investment advisory, broker dealer and other related services to these funds, other accounts and their portfolio companies.

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

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

We describe below certain of these conflicts of interest, as well as how we seek to address them.

Resolution of Conflicts

When conflicts arise between one Fund and another Fund, we will seek to resolve the conflict. When conflicts arise between a Fund and a Related Fund, we will seek to represent the interests

of such Fund, and the applicable Related Adviser will represent the interests of the Related Fund. In addressing such conflicts, we and the Related Adviser, if applicable, will consider various factors, including the interests of the vehicles and accounts they advise in the context of both the immediate issue at hand and the longer-term course of dealing among such Fund(s) and the Related Fund(s), if applicable. In the case of all conflicts involving a Fund, including with respect to other Funds and Related Funds, our determination as to which factors are relevant, and the attempted resolution of such conflicts, will be made in our sole discretion.

The following may help mitigate potential or actual conflicts of interest:

- a Fund will not make any investment unless we believe that such investment is an appropriate investment considered from the viewpoint of such Fund;
- many important conflicts of interest may be resolved pursuant to set procedures, restrictions or other provisions contained in the relevant Governing Documents for the Funds;
- many of our Funds have established advisory committees, whose members are not affiliated with the general partner of the Fund. Such committees generally play an important role in resolving conflicts of interest by, for example, overseeing certain activities that could give rise to conflicts of interest or approving or consenting to decisions that involve certain conflicts of interest that may be referred to it by the Fund's general partner in accordance with the relevant Governing Documents;
- when we deem it 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 Fund may demonstrate the fairness of the transaction to such Fund;
- 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 certain circumstances, we erect temporary or permanent information barriers to restrict the transfer of non-public information between business units.

Potential Conflicts of Interest

The material conflicts of interest that a Fund encounters include those discussed below and elsewhere in this brochure. The following summary is not intended to be an exhaustive list of all actual, apparent or potential conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact-intensive, and it is not possible to foresee every conflict of interest that may arise during a Fund's life. In particular, we may in the future identify additional conflicts of interest that currently are not apparent to us, as well as conflicts of interest that arise or increase in materiality as we develop new investment platforms or business lines and otherwise adapt to dynamic markets and an evolving regulatory environment. To the extent we identify

conflicts of interest in the future, we may, but assume no obligation to, disclose these conflicts and their implications to investors in Funds through a variety of channels, including in subsequent brochures or in other written or oral communications to our investors more generally.

Principal Transactions

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the investment adviser's clients, on the other. The Advisers Act generally requires that, when an investment adviser or its affiliate proposes to purchase a security from, or 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.

In connection with our management of the Funds, we and/or the Funds may, in certain limited circumstances, engage in principal transactions, as described below.

Also, from time to time, we or our affiliates may provide seed capital to a new Fund. In doing so, we 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 to ensure that we comply with the requirements of Section 206(3) of the Advisers Act in respect of principal transactions.

We have established certain policies and procedures reasonably designed 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 Fund regarding any proposed principal transactions, if required by the Advisers Act or applicable law, and the Fund's prior consent to the transaction be received. In addition, the Governing Documents relating to the Funds typically contain additional restrictions on our ability or that of the Funds to engage in principal transactions and disclosures regarding principal transactions that are likely to arise in the operations of Funds.

Participation of the Affiliated BDs in Fund Transactions

As noted above under "*Item 10 – Other Financial Industry Activities and Affiliations*," the BD Affiliates are affiliated broker dealers.

The relationships we have with the BD Affiliates give rise to conflicts of interest between us and Funds that have an interest in any portfolio companies or investment vehicles with respect to which a BD Affiliate provides services. In particular, we could also have an incentive to structure certain transactions, including co-investment opportunities, so that they require the use of a broker-dealer.

The BD Affiliates from time to time act as placement agents in respect of investment funds that are sponsored and managed by third-party investment managers, including funds that may compete with Funds. In providing such services to, or with respect to, a competitor fund or company, a BD Affiliate will not take into consideration the interests of the Funds.

We generally will evaluate any such transactions on a case-by-case basis to address any such conflicts. Transactions involving a Fund and a BD Affiliate are also reviewed with regard to the appropriateness of the transaction and any fiduciary obligations. In addition, to the extent

applicable, we will review such transactions in an effort to ensure compliance with the requirements of Section 206(3) of the Advisers Act in respect of principal transactions between any Fund and us and a BD Affiliate.

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

Third-Party Placement Agents

From time to time, we enter into arrangements with third parties to help raise capital for a Fund. Such placement agents typically receive a fee calculated as a percentage of the investments they bring to the respective Fund or, in some cases, a flat fee. We generally bear such fees instead of the Fund. We can pay placement agent fees directly or cause the Fund to pay so long as we reduce the Fund's advisory fees by that amount. Basing the placement agent's compensation on an investor's decision to invest creates a conflict of interest by incentivizing the placement agent to attract investors to a Fund when it may not be in the investors' best interests to subscribe.

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 Funds or Related Funds. We therefore expect to encounter situations in which we must determine how to allocate investment opportunities among various Funds and other persons, which typically include the following:

- the Funds and Related Funds;
- any alternative investment vehicles (or “AIVs”) formed to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions;
- proprietary accounts held by Sixth Street, one or more of its affiliates, and/or one or more employees of Sixth Street or its related persons;
- 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 Co-Investment Vehicles typically include investors and/or individuals and entities that are not investors in any Funds;
- 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 Funds in particular transactions entered into by such Funds; and
- Investors and/or third parties acting as “co-sponsors” with us with respect to a particular transaction.

In addition, we expect to form, sponsor or acquire in the future additional investment funds, separate accounts or other investment vehicles with investment objectives or strategies substantially similar to, or different from, those of the current Funds, including additional hedge funds, CLO issuers, infrastructure funds, emerging market funds and other regional or industry-focused vehicles. We anticipate that we will be required to make an increasing number of determinations as to the scope and priority of our obligations to offer certain investment opportunities to our Related Funds, including where such investment opportunities fall within the investment objectives of more than one Fund or Related Fund. Although we seek to ensure that we comply or act in a manner consistent with the Governing Documents or marketing materials of all Funds, such determinations will generally be made by Sixth Street and/or our related persons without consultation with, or approval by, advisory committees of, or investors in, Funds or Related Funds, and the justifications for such determinations may be subjective, difficult to definitively articulate or record, or subsequently prove to have been incorrect or based on incorrect or incomplete information, or affected by unexpected market developments.

For each such Fund 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.

We are generally subject to investment allocation requirements that derive from, among other things, the Funds' Governing Documents, and a regulatory exemptive order that was obtained from the SEC relating to U.S. middle-market loan origination (which contains an obligation to offer provision, and is described in further detail below), which we refer to collectively as the "Investment Allocation Requirements." For example, certain Funds' Governing Documents generally require us, subject to certain exceptions, to offer to such Funds suitable opportunities to originate loans and/or structure debt, prior to offering such opportunities to certain other Funds.

Sixth Street has established a governance body that convenes on a regular basis to review and approve determinations regarding certain investment and expense allocations among the Funds (the "Sixth Street Allocations Team"). The Sixth Street Allocations Team includes senior Sixth Street professionals from the control and investment sides of the business and is responsible for overseeing Sixth Street's allocations processes and ensuring that they conform to our allocation principles. With respect to investment and expense allocations between one or more Funds, on the one hand, and one or more Related Funds, on the other hand, such determinations will be made by the TPG Allocation Committee (as defined below).

In making an allocation decision, we first determine whether the Investment Allocation Requirements compel us to offer an investment opportunity to a Fund or Related Fund. This may result in a single Fund or Related Fund being the obvious allocation choice. However, in other circumstances the Investment Allocation Requirements will not be determinative. In these cases, we generally assess whether an investment opportunity is appropriate for a particular Fund or Related Fund based on the Fund's or Related Fund's 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 allocate the investment opportunity in accordance with our allocation principles.

These principles reflect considerations that we determine in good faith to be fair and reasonable, such as:

- the investment focuses, objectives and geographical considerations 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, which may take into account capital deployment, anticipated future funding obligations and the timing of commitment period expiration or termination applicable to the Funds);
- the timing of capital inflows, outflows and anticipated commitments, subscriptions, distributions and/or other capital activities;
- the relevant Fund's or Related Fund's targeted rate of return and investment holding period;
- the stage of development of the prospective portfolio company or other investment;
- the existing portfolio of investments of the relevant Fund or Related Fund and their portfolio construction goals (*e.g.*, concentration, diversification, etc.);
- the risk profile of the investment opportunity and the relevant Fund or Related Fund;
- the reinvestment period and expected life cycle of the relevant Fund or Related Fund;
- the relative amounts of uninvested cash and capital available for investment by each such 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;
- ramp-up periods;
- legal, tax, contractual, regulatory or other considerations that we deem relevant (including, for the avoidance of doubt, applicable law and any duties imposed thereby); and
- any other factors we deem relevant in our sole discretion.

The relevance of each of these criteria will vary from investment opportunity to investment opportunity, with no single factor consistently outweighing the others. While we seek to be

consistent with prior decisions, the facts and circumstances of each allocation decision remain determinative.

Additionally, when allocating potential loan investments among certain Funds we may take into account (i) each relevant Fund's diversity and other components of any "collateral quality tests" that may be applicable to such Fund (e.g., CLO composition tests relating to minimum floating spread, minimum weighted average coupon, default probability, issuer and industry diversity, recovery rates, and weighted average life) and/or (ii) any allocation targets of each Fund (e.g., industry targets and size targets). For example, if an underlying loan would improve the "collateral quality tests" for a certain Fund, there may be additional incentive to allocate the underlying loan to that Fund rather than another Fund.

Similar considerations apply with respect to the allocation of opportunities to sell, transfer or otherwise dispose of portfolio investments that were previously allocated to the Funds and/or one or more Related Funds in accordance with the factors described above.

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 to 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 the 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. For a discussion of expense allocation for deals that are not consummated, please see "*Allocation of Fees and Expenses for Broken Deals*" below.

Relating to CLOs, we note that a ramping vehicle will have more cash available for asset purchases than a fully- or near-fully invested account. Considering this fact, ramping vehicles will generally be afforded priority over other TICP vehicles or accounts from an investment allocation perspective. Such allocation priority will result in ramping vehicles receiving a disproportionate share, or the entirety, of relevant trade allocations, either in the primary or secondary trading context.

One of our Related Funds is TSLX, a BDC that has elected to be regulated under the Investment Company Act. The Investment Company Act imposes certain restrictions on "related party transactions" involving a BDC, which include certain co-investment transactions. The SEC granted us an exemptive relief order that, if certain conditions are met, allows the Funds and Related Funds to co-invest alongside TSLX in middle-market loan origination transactions involving companies domiciled in the United States and certain "follow-on" investments. These conditions include, among others, that:

- TSLX must first have the right to participate in such opportunity to the full extent TSL Advisers, LLC deems appropriate, and its affiliates may be allocated any remaining excess amount;

- the terms and conditions of the investment applicable to such Funds and Related Funds must be the same as those applicable to TSLX; and
- TSLX must have received the prior approval by a majority of TSLX's independent directors.

The conditions imposed by the SEC exemptive relief order restrict the ability of the Funds to invest in connection with middle-market loan origination opportunities for companies domiciled in the United States, as we will be only permitted to do so in accordance with the terms of the exemptive relief order or in the limited circumstances otherwise currently permitted by regulatory guidance.

To address situations when the investment interests of one or more Funds and one or more Related Funds overlap, TPG has established an allocation committee to help determine to which Fund, Funds, Related Fund or Related Funds we allocate a particular opportunity (such allocation committee, the "TPG Allocation Committee"). The composition of the TPG Allocation Committee reflects TPG as a whole and includes senior professionals from key platforms (including Sixth Street).

In making an allocation decision, additional conflicts of interest will arise. Specifically, because the Funds and Related Funds have different fee, expense and compensation terms and structures, we have an incentive to allocate an investment opportunity to the Fund or Related Fund that would generate a higher fee or more carried interest or a better return. This would similarly apply where our affiliates and Sixth Street also serve in an advisory or discretionary asset management capacity with respect to any Related Fund's portfolio companies. As a result, our affiliates and Sixth Street may receive advisory fees or other compensation, and such amounts may exceed the aggregate fees and compensation paid by the Funds. This may create an incentive on the part of such affiliates to present investment opportunities to such portfolio companies instead of the Funds, including investment opportunities that may be suitable for the Funds. In addition, our professionals will generally participate indirectly in investments made by Funds in which they invest. To the extent such professionals are responsible in part for making allocation decisions, they may have an incentive to allocate an attractive investment opportunity (in whole or in part) to those Related Funds in which they invest or in which they have a larger interest, even in circumstances where it would be more appropriate, in light of the factors enumerated above, for the opportunity to be allocated to the Funds. (See below "*Conflicts Arising from Interests of Our Professionals in the Funds and Related Funds*"). We expect, however, that our procedures and principles described above under "Resolution of Conflicts" will help mitigate the risk that these incentives improperly influence our allocation decisions.

We may not determine final allocations among Funds and/or Related Funds until after certain expenses or other amounts have already become due and payable. In these circumstances, a Fund may initially bear the full amount of an upfront payment or expense, even if another Fund or Related Fund ultimately participates in the investment. In such a circumstance, the other Fund or Related Fund would reimburse the Fund for its proportionate share of such payment or expense when we determine the final allocation of the investment opportunity among the Fund and the other Fund or Related Fund.

Follow-On Investments

The Funds may be called upon to provide additional funding for their portfolio companies or have the opportunity to increase their investment in portfolio companies. This may occur under circumstances in which a portfolio company is performing poorly, in which case the follow-on investment may be riskier than the initial investment in that portfolio company, or when a portfolio company is performing well and needs growth capital.

There can be no assurance that the Funds will make follow-on investments or that the Funds will have sufficient capital to do so. Any decision by the Funds not to make a follow-on investment, or their inability to make such an investment, may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Funds' ability to maintain a control position and/or otherwise influence the portfolio company's future development. Moreover, to the extent that the Funds do not make such investments in a portfolio company, such portfolio company may seek capital from other investors who could rank senior to and/or cause the dilution of, the Funds' investment in such portfolio company.

Sixth Street has discretion to determine whether an additional investment that may be related to an existing investment will be treated as a follow-on investment (in which case certain investors in the Fund and/or other Funds may not participate) or a new investment (in which case such other parties might participate). In the event that Sixth Street designates an investment as a follow-on investment and such investment subsequently experiences material losses, the resulting adverse effect on participating investors might be greater than if such investment had not been designated as a follow-on investment and other investors and/or Funds had shared in such losses. Similarly, if Sixth Street does not designate an investment as a follow-on investment and such investment subsequently experiences material gains, certain investors' share of such investment may have been diluted by other participating investors and/or Funds.

Allocation of Co-Investment Opportunities

From time to time, we have the option to offer one or more investors, Co-Investment Vehicles, investors in Related Funds or third parties the opportunity to invest alongside a Fund, or "co-invest" either directly or through a Sixth Street-controlled vehicle established to invest in one or more co-investment opportunities. This situation generally arises when the amount of 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 (including other third-party managed pooled investment vehicles in which we or our employees may hold an interest);
- Senior Advisors (and the accounts or vehicles they manage); and
- other parties or consultants that assisted in sourcing or completing the transaction or provide other strategic value.

Depending on a Fund's Governing Documents, we may also have the option to offer preferential access to co-investment opportunities on a systematic basis, including to our employees, other affiliated personnel or others (allowing, for instance, the investor to co-invest in an aggregate fixed dollar amount over the life of the Fund or in each Fund investment of a certain size or that has certain other characteristics). The exercise of these co-investment rights will limit the size of investment opportunities available to the Fund and the amount of co-investment opportunities available to other potential co-investors. We will offer co-investments pursuant to the procedures included in such Funds' Governing Documents as generally described in the following paragraphs.

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

- we give co-investment opportunities to
 - investors in Funds;
 - Senior Advisors (and the accounts or vehicles they manage);
 - our employees;
 - Co-Investment Vehicles;
 - co-underwriters;
 - co-sponsors;
 - investors in Related Funds;
 - investors in Sixth Street;
 - our affiliates;
 - consultants;
 - advisors;
 - strategic partners; or
 - other third parties;
- we generally are under no obligation to offer to investors any co-investment opportunities;
- we can offer co-investment opportunities selectively to some investors and not offer them to all investors;
- allocations of co-investment opportunities between investors generally will not correspond to their pro rata interests in the relevant Fund;

- we may agree to offer certain investors preferential access to co-investment opportunities. Such access may be offered on a systematic basis (for example, by granting an investor either the right to co-invest in each investment that meets specific criteria or a certain amount of co-investment opportunities over the life of the Fund), including in connection with broader strategic relationships or other arrangements where investors agree to invest in one or more Funds or Related Funds
- we have agreed, and expect in the future to agree, to certain contractual arrangements, obligations or undertakings with respect to co-investment opportunities. Such arrangements may address matters such as, and without limitation: the economic and other terms on which a Fund's limited partner would participate in a co-investment opportunity if consummated, an obligation or undertaking to present co-investment opportunities to a limited partner (for example, an obligation or undertaking to present a certain dollar value of co-investment opportunities to a limited partner over a specified period of time, or right of first refusal or other priority rights over all or a certain subset of co-investment opportunities). Any such arrangements may be documented in side letters, however they may fall within exemptions from an MFN clause or be separately documented in connection with broader strategic relationships or existing or future accounts or vehicles formed, in whole or in part, for the purpose of participating in co-investments alongside the Funds and/or one or more other Related Funds. Such arrangements may be established contemporaneously with the admission of a limited partner to the Fund, however they may also be established either prior or subsequent to a limited partner's participation in the Funds, and regardless of timing may address rights or other obligations with respect to co-investment opportunities alongside the Funds. Furthermore, any such arrangements may be made with respect to co-investment opportunities alongside the Funds with investors in Related Funds even if they are not limited partners of the Funds, and conversely Sixth Street and/or its affiliates may enter into arrangements with limited partners relating to co-investment opportunities alongside Funds or Related Funds regardless of whether such limited partners are investors in such Funds or Related Funds. The terms applicable to such arrangements, including management fees and carried interest, may be more favorable than those applicable to the Funds or that are otherwise offered to limited partners; and
- non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require us to notify the recipients of such acknowledgements if there is a co-investment opportunity.

While the criteria we use in making discretionary co-investment decisions vary from opportunity to opportunity. Some key factors include, among other things:

- certainty of funding—that is, whether the potential co-investor has the financial and operational resources to provide the requisite capital in a timely fashion, in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- 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, including if any investor has granted Sixth Street investment discretion in respect of its co-investments;

- any contractual obligations to provide co-investment opportunities and related remedies;
- the size of the potential co-investor's commitment to Funds and/or Related Funds and the anticipated importance of the potential co-investor to future Sixth Street fundraising campaigns;
- 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;
- strategic advice (inclusive of past contributions such as providing help sourcing and/or analyzing the transaction);
- the likelihood that the potential co-investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the investor would be willing to defer to Sixth Street and/or its related persons and assume a more passive role in governing the portfolio company); and
- the overall strategic benefit to the transaction, the Fund or Sixth Street 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, business activities or industry of the prospective target company or investment;
- Sixth Street's and its related persons' concerns regarding confidentiality or regulatory issues in connection with providing the potential co-investor with specific information relating to the investment opportunity in order to permit such party to evaluate the investment opportunity;
- Sixth Street's and its related persons' evaluation of its past experiences and relationships with the potential co-investor, such as the willingness or ability of such party to respond promptly and/or affirmatively to opportunities previously offered by Sixth Street and/or TPG, the expected amount of time, cost and negotiations required in connection with a potential co-investor and the transparency and predictability of the potential co-investor's investment process;
- Sixth Street's and its related persons' understanding of a potential co-investor's openness and ability to participate in any initial (and, if relevant) follow-on investment opportunities, should they arise;
- the level of demand for participation in such co-investment opportunity;
- 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;
- any issues that could influence Sixth Street and its related persons in their decision to invite one or more potential co-investors to participate, such as that they are subject to FOIA and/or whether participation could increase the risk of antitrust or CFIUS approval;
- Sixth Street's and its related persons' evaluation of whether the profile or characteristics of the potential co-investor may have any other impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investor is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investor, or the jurisdiction in which the potential co-investor is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity);
- Sixth Street's and its related persons' belief, in its sole discretion, that allocating investment opportunities to the potential co-investor will help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits to the Funds, Related Funds or future Related Funds, in each case including their portfolio companies, or to Sixth Street and its related persons in their ability to generate new investment opportunities for the Funds, Related Funds or future Related Funds;
- the reporting, public relations, competitive, confidentiality or other issues that may also arise as a result of the co-investment; and
- any other facts or circumstances that we deem appropriate or relevant in our sole discretion.

We expect that these factors will lead us to favor some potential co-investors over others with respect to the frequency with which we offer them co-investment opportunities. We also expect to allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors.

Our exercise of our discretion in allocating investment opportunities among potential co-investors and in the manner discussed above often will not result in proportional allocations among such co-investors, and such allocations will likely be more or less advantageous to some relative to others. In addition, co-investments will not necessarily be made on the same terms as the Fund's investment in the portfolio company. For example, co-investors typically 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. Co-investors may also acquire their interest in an investment at the same time as the Funds or purchase their interest from the applicable Funds after such Funds have consummated the investment in the portfolio investment (also known as a post-closing sell down or transfer). In either case, potential co-investors typically 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. When co-investors purchase their interest from the Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's general partner in its sole discretion and may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on

the co-investment amount or the risk borne by the Fund in connection with purchasing and warehousing the investment.

While we have not typically done so, we could charge investors up-front fees to participate in a co-investment (through TSSP BD or otherwise) or other one-time or ongoing fixed and/or incentive-based compensation. To the extent we earn fees for placing co-investment interests, we would have an incentive to offer more co-investment opportunities through these channels, even if it would limit the amount of co-investment opportunities available to a Fund's limited partners.

In addition, we may offer co-investment opportunities to the Funds' consultants, service providers and advisors in portfolio investments for which such consultant, service provider or advisor provides services. The size of such co-investment opportunities will depend, in part, on the level of participation in respect of sourcing, evaluating and negotiating a particular portfolio investment.

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 finding co-investors for a particular opportunity, a Fund will consequently have greater exposure to the related investment opportunity than was intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic or business conditions. Moreover, an investment by the Fund that is not syndicated to co-investors as anticipated could significantly reduce the Fund's overall investment returns.

Allocation of Fees and Expenses for Broken Deals

We employ similar procedures and principles as described above under "*Allocation of Investment Opportunities*" when allocating fees and expenses incurred in connection with "broken deals" (including expenses incurred in connection with in-house services), or potential investments that we actively consider but do not consummate. That is, we generally make fee and expense allocation decisions while a transaction is pending based on our best judgment of the Fund or Funds and/or Related Fund or Funds to which we ultimately expect to allocate the transaction. These judgments are necessarily subjective, especially when a transaction is terminated particularly early in the diligence process. If, for example, the Fund and one or more other Funds or Related Funds considered making an investment that was not consummated, the expenses would typically be allocated among the Fund and such other Funds or Related Funds eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, fee and expense allocation decisions will generally be made by us using our best judgment, considering such factors as we deem relevant, but in our sole discretion. Although such fees and expenses will typically be allocated *pro rata* between the Fund and the relevant other Funds or Related Funds in accordance with their proposed investments in the investment opportunity, such allocations may not be proportional (e.g., they may be based on historical allocations within a certain sub-class of investments rather than proportional by available capital) and in some circumstances another allocation method may be applied when it is determined to be more equitable (for example, where a *pro rata* allocation is inconsistent with arm's-length terms

that would reasonably be expected to apply to such a transaction if the Fund, or the Fund and the relevant other Funds or Related Funds were not affiliated).

As discussed above in Item 5, in certain instances we will evaluate investment opportunities that, if consummated, we would likely offer in part to prospective co-investors. If such a potential investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment and co-investment will typically be borne entirely by the Fund (and any Related Funds that would have participated in such investment), rather than by any such prospective co-investors, even where a transaction is terminated late in the due diligence process and there was a substantial likelihood that such co-investors would have participated in the investment had the transaction been consummated.

The financial position of the relevant Fund or Funds and/or Related Fund or Funds may give us an incentive to allocate such fees and expenses to one such Fund or Related Fund and not to another. For example, it would be advantageous to allocate broken deal fees and expenses to a Fund 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 typically would be disadvantageous as an economic matter to allocate broken deal fees and expenses to a Fund and/or Related Fund that is paying carried interest, as doing so would delay and reduce the amount of carried interest paid to the relevant general partner. As with our other allocation decisions, our allocation procedures and principles are designed to (but may not succeed to) help mitigate the risk that financial and other incentives improperly influence the allocation of broken deal fees and expenses. However, if a decision is made to allocate all or any portion of an investment opportunity to one or more Related Funds, the amount available to the Funds for investment will be correspondingly reduced.

Allocation of Investment Opportunities Among Classes and Partners of Certain Funds

Actual, apparent or potential conflicts of interest may also arise as a result of our discretion over the respective amounts of capital that different groups of limited partners, including limited partners across different classes, will be required to contribute to certain Funds in respect of portfolio investments.

In certain Funds, we have discretion to adjust the allocation of investments among different classes of limited partners in the event the we determine that participation in one or more portfolio investments (in whole or in part) would not be suitable for one or more classes. In making such determinations, we expect to take into account such factors as we deem relevant in good faith, which may include, but are not limited to:

- the relative amounts of capital available for investment by a class;
- the expected amount of capital required for the investment as well as each such class's current and projected capacity for investing (including for any potential follow-on investments), which may take into account capital deployment, anticipated future funding obligations for the investment and the other portfolio investments held by each class,

amounts designated or reserved for such obligations, and the timing of commitment period expiration or termination applicable to limited partners in each class;

- the existing portfolio of investments of each such class and their portfolio construction goals and targets (e.g., concentration, diversification, geography targets, etc.) (including the portfolio of investments of limited partners in each class whose commitment periods have not been terminated);
- the risk profile of the investment (e.g., exposure to water, soil, climate and crop risk);
- whether unused capital commitments of one or more limited partners in a class would be insufficient to fund its share of one or more drawdowns (or anticipated drawdowns).
- regulatory, tax and other considerations related to the investment; and
- any restrictions on investment applicable to a class or its limited partners.

Allocation of Other Fees and Expenses

From time to time, we determine whether to allocate certain other fees and expenses, both among (i) Funds and Related Funds and among (ii) us, Funds and portfolio companies of Funds. In exercising our discretion to allocate such fees and expenses, we exercise significant judgment and face a variety of potential conflicts of interest. We will generally allocate fees and expenses to be split between us and the Funds and/or portfolio companies (including fees and expenses incurred in the offering of the Fund, management of the Fund, and investment opportunities), in each case in accordance with the Fund's Governing Documents. To the extent not addressed in the Governing Documents, we generally will allocate such fees and expenses in a manner that we believe is fair and reasonable under the circumstances, considering such factors as we deem relevant, but in our sole discretion. Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by us, are reimbursed by a Fund and/or its portfolio companies, we will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to the applicable Governing Documents, we may charge (or may decide not to charge) a co-investor (such as an investor or third party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company 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 Funds or other accounts or persons.

Allocation of Secondary Transfer Opportunities

To the extent we have discretion or influence over a secondary transfer of interests in a Fund, we will consider the factors listed above under "*Allocation of Co-Investment Opportunities*" in exercising such discretion or making such identification.

Participation in Investments and Expenses, Generally

A Fund's investors generally participate in investments on the basis of their unfunded commitments and generally bear their share of general Fund expenses that do not relate to particular investments on the basis of their assets under management. Sixth Street generally determines investors' unfunded commitments and assets under management on a quarterly basis and may also be adjusted during a calendar quarter to account for certain capital activity (such as capital calls and distributions). However, such amounts are generally not adjusted during a calendar quarter for certain other activity, including activity that would otherwise affect such investors' unfunded commitments and assets under management (e.g., deemed distributions related to the receipt of investment proceeds). As a result, the extent to which an investor participates in investments or is allocated general Fund expenses may differ compared to the level of participation or allocation that would have occurred if unfunded commitments and assets under management were calculated more frequently (e.g., on a daily basis). The extent of this difference in participation during any given calendar quarter will depend on a number of factors, including the amount of cash received from investments, the particular investments generating current income or realization proceeds, the capital commitments of new investors accepted by the Funds and the capital required to fund new investments or Fund expenses, in each case within such quarter.

Although certain Fund expenses will accrue and be allocated among Fund investors prior to the actual payment of such expenses (e.g., audit-related costs), other Fund expenses will not be allocated among investors until such expenses are actually paid (e.g., certain outside counsel costs), which may occur a substantial period of time after such expenses are incurred. An investor newly admitted or increasing its subscription to a Fund will generally not be required to buy into expenses paid by the Fund prior to the date of such admission or increase, but will be required to fund such expenses to the extent they are paid after such admission or increase, including expenses that may have been incurred (in whole or in part) prior to such date (though Sixth Street generally has discretion, but no obligation, to allocate such prior period expenses to existing investors instead). For example, such investors may be allocated expenses relating to an unconsummated investment that would have closed in a prior period (and in which such investor would not have participated) if such expenses are invoiced to and/or paid by the Funds following such investor's admission or increase. An investor may also bear its share of all expenses charged to the Funds during the calendar quarter in which such investor is admitted or increases its capital commitment, even if such admission occurs during the middle of a quarter.

Conflicts Related to Transactions with Other Funds or Related Funds

In certain instances, we may cause a Fund to purchase investments from another Fund or a Related Fund, or we may cause a Fund to sell investments to another Fund 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 Fund 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 Funds 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 Funds and/or Related Funds. We, the Related Advisers and our professionals would be presented with certain conflicts of interest in effecting these transactions. To address these conflicts of interest, we will cause a Fund to engage in such transactions only if we determine that the terms and conditions of such transaction are substantially as advantageous to such Fund as the terms it would obtain in a comparable arm's-length transaction with a third party. For additional information regarding transactions between Funds, including a discussion of related conflicts of interest, please see Item 12, under "*Cross Transactions*," and for additional information regarding investments by Funds in the portfolio companies of Related Funds, please see "*Conflicts Related to Transactions Alongside Other Funds or Related Funds*" and "*Conflicts Related to Investing in Different Levels of the Capital Structure*."

TCS is composed of certain parallel investment vehicles and related AIVs (collectively, the "TCS Funds," and individually, a "TCS Vehicle"). Pursuant to the Governing Documents of the TCS Funds, one TCS Vehicle may participate in certain loan or structured debt investments originated by another TCS Vehicle (such investments, together with any instruments or investments associated with such loan or structured debt investment that we designate as part of the same portfolio investment, the "Loan Origination Investments") through secondary acquisitions ("Secondary Loan Investments") and together with the Loan Origination Investments and related transactions between the originating and acquiring TCS Vehicles, "Structured Loan Investments"), which give rise to certain considerations not present with other investments. For purposes of this section "*Conflicts Related to Transactions with Other Funds or Related Funds*," "originating TCS Vehicle" shall refer to a TCS Vehicle originating Loan Origination Investment(s) and "acquiring TCS Vehicle" shall refer to a TCS Vehicle that acquires Secondary Loan Investment(s). Originating TCS Vehicles are entitled to receive fees from the acquiring TCS Vehicles in return for the opportunity to acquire the loan portion of any Secondary Loan Investments (the "Structured Loan Fee"), which is based on a fixed percentage of the purchase price, provided that we will have the discretion, subject to the prior approval of an experienced, qualified independent advisor (an "Independent Advisor") retained by the acquiring TCS Vehicles for the purpose of assessing Secondary Loan Investments, to adjust the rate or otherwise modify the calculation of the Structured Loan Fee as it determines appropriate. No approval of the advisory committee or the limited partners of the TCS Funds will be required for the payment by an acquiring TCS Vehicle, of the receipt by the originating TCS Vehicle, of the Structured Loan Fee. Participating TCS Vehicles in such Structured Loan Investments may be overexposed or underexposed for any number of reasons, including the amount of Loan Origination Investments in which a TCS Vehicle may participate, the election to participate or not participate in the Structured Loan Investment by an acquiring TCS Vehicle, and any changes to the commitments in the participating TCS Vehicles. The potential differences in the Loan Origination Investment portfolios and the Secondary Loan Investment portfolios, respectively, of originating TCS Vehicles and acquiring TCS Vehicles, as well as the differences in expenses and fee income may result in such TCS Vehicles having materially different investment performances and risk profiles. Secondary Loan Investments and the related fees will not require the approval of the advisory committee of the TCS Funds and the terms of the transactions will be decided solely by our affiliates and the prices at which these transactions occur will be based on our affiliate's own valuation of fair value, as supported by a valuation of an independent third-party valuation agent. We and our affiliates may have economic

incentives to structure these transactions to favor one TCS Vehicle over another, such as when such TCS Vehicle is more likely to pay carried interest to its general partner. In addition, although an acquiring TCS Vehicle cannot consummate a Secondary Loan Investment without the approval of an Independent Advisor, such Independent Advisor may also have certain interests that diverge from the interests of investors in the acquiring TCS Vehicle arising from, for example, the Independent Advisor's compensation scheme and our ability to retain or remove the Independent Advisor.

Conflicts Related to Transactions Alongside Other Funds or Related Funds

From time to time, a Fund and one or more other Funds or Related Funds make investments in the same company. While typically Funds and Related Funds would make and exit any such investment at the same time and on the same general terms, differences in each Fund's and Related Fund's terms, investment periods, structures, investment strategies and/or other factors could result in making or exiting investments at different times, at different effective prices or with differing costs or terms. For example, a Related Fund may invest in the publicly traded securities of a Fund portfolio company, including by purchasing these securities in an initial public offering, in a secondary offering by the Fund or in the open market. The Related Fund's view of the investment and its interests may diverge from those of the Fund. This could cause the Related Fund to dispose of, increase its exposure to or continue to hold the investment at a time when the Fund has taken a different approach. As a result, the actions of the Related Fund could affect the value of the Fund's investment. For instance, a sale by the Related Fund of its investment could put downward pressure on the value of the Fund's interest, which the latter 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 Fund. The Related Fund could earn a return on its investment that exceeds the Fund's return, or vice versa.

In the event that a Fund has made an investment in a company and is presented with an opportunity to make a subsequent investment which would result in such Fund exercising "control" over such company, we may offer a Related Fund a portion of such subsequent investment opportunity as reasonably determined in our discretion. In such a circumstance, the Related Fund will have different considerations from the Fund in relation to, and in its exercise of control over, such investment, including availability of capital (including for follow-on investments) as well as different basis in the investment, financing availability and terms, and investment objectives and time horizons.

Another Fund or Related Fund's view of an investment, or of market conditions and its interests may diverge from those of a Fund, which could cause the other Fund or Related Fund to dispose of, increase its exposure to or continue to hold the investment at a time when the Fund has adopted a different strategy. Further, the Fund may not, for example, have the same access to, or appetite for, credit or employ identical strategies as the other Fund or Related Fund, or may be subject to withdrawals by its underlying clients that necessitate the sale of its investments. As a result, the actions of another Fund or Related Fund could affect the value of the Fund's investments. For example, a sale by another Fund or Related Fund of its investment could put downward pressure on the value of the Fund's interest, which the Fund has opted to hold longer term. Furthermore, to the extent that another Fund or Related Fund's position in a particular investment is greater than the Fund's investment, or to the extent that the fee and other terms of another Fund or Related

Fund are more favorable to us, we may have incentives to favor the interests of such Fund or Related Fund over the interests of the Fund. The other Funds and Related Funds are under no obligation to act in a way that furthers or protects the interests of the Fund.

In addition, a Fund may pool certain investments with one or more Related Funds (an “Asset Pool”), including for the purposes of obtaining leverage or other financing, or seeking a full or partial exit from one or more investments. In such circumstances an Asset Pool may be managed or controlled by our or our affiliates and securities or other interests in the Asset Pool will be owned the Fund and Related Funds. The consummation of any such transaction will involve the exercise of our and our affiliates’ discretion with respect to a number of material matters, which may give rise to actual or potential conflicts. For example, in determining the proportionate interest of the Fund and the Related Funds in the Asset Pool (or particular classes or tranches of securities or others interests in the Asset Pool), we and our affiliates will be required to determine the relative value of assets contributed to the Asset Pool, and value of securities or interests (or particular classes or tranches thereof) issued by the Asset Pool. In making this determination we and our affiliates may, but are not required to, engage or seek the advice of any third party independent expert; however even if such advice was sought, valuing such assets and interests and, therefore, the value of the Fund’s interest in, or proceeds received from, any Asset Pool, will be subjective.

A Fund or a portfolio company of a Fund will from time to time invest in opportunities that other Funds or Related Funds have declined, and likewise, a Fund will from time to time decline to invest in opportunities in which other Funds or Related Funds have invested. In addition, Sixth Street, one or more of its affiliates, and/or one or more of its or its affiliates’ employees may from time to time invest in opportunities offered to, but rejected by, the Funds.

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 Funds 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 Funds 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; certain Funds and Related Funds also engage in short selling. Accordingly, a Fund will hold, from time to time, an interest in one part of a company’s capital structure while another Fund or a Related Fund holds an interest in another; similarly, a Fund may be “long” a company that another Fund or Related Fund is “short.” Decisions taken by the other Fund or Related Fund in these circumstances to further its interests may be adverse to the interests of the Fund.

For example, were a Fund to invest in or originate the debt of a company in which another Fund or a Related Fund holds equity, including in connection with the purchase of a pool of securities by a Fund or another Fund or a Related Fund, the interests of the Fund, on the one hand, and such other Fund or the Related Fund, on the other hand, could be adverse. The Fund holding the debt would be senior to the other Fund or the Related Fund in the capital structure of such company,

and in a distress or workout scenario, the Fund holding the debt could recover on its investment while such other Fund or Related Fund might not. In addition, a Fund, on the one hand, and another Fund or a Related Fund, on the other hand, may hold investments and pursue an investment strategy which diverge or are directly adverse to each other (including where another Fund or a Related Fund engages in a short sale or similar transaction in respect of any investment in which a Fund holds a long position). These situations would present numerous conflicts or the appearance of conflicts, including, for example, the appearance that the Funds or the Related Fund declined to act in furtherance of its economic interests. In addition, where another Fund or a Related Fund is a creditor of a company in which a Fund holds more junior securities, such other Fund or the Related Fund may take actions in its own interests with respect to its rights as a creditor (e.g., with respect to breaches of covenants) that may be adverse to the interests of the Fund holding the more junior securities. The other Fund or the Related Fund will not be required to take any action or refrain from taking any action to mitigate potential losses by the Fund holding the junior securities in such a scenario.

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 Fund, as an equity owner, would desire. In addition, a Related Fund may participate in releveraging and recapitalization transactions involving portfolio companies in which 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. Such investments are expected from time to time to be made and/or disposed of at different times and on different terms (including price). Such divergences may occur for various reasons, including as a result of tax, legal or regulatory constraints as well as one or more of the factors described above under “*Allocation of Investment Opportunities*.” Investments by more than one of our clients in a portfolio company 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 a BD Affiliate holds securities of a portfolio company.

Conflicts Related to Other Investments by Funds and Related Funds

A Fund or a Related Fund occasionally invests in a competitor or customer of, or a service provider or supplier to, a portfolio company of one or more Funds. In addition, our employees may serve as directors, or otherwise be associated with, companies that are competitors of portfolio companies of certain Funds. These circumstances would give rise to a variety of conflicts of interest. For example, another fund or its portfolio company may take actions for commercial reasons that have adverse consequences for the Fund or its portfolio company, such as seeking to increase its market share at the Fund portfolio company’s expense (as a competitor), withdrawing business from the Fund portfolio company 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 Fund portfolio company (in any capacity). Another Fund or a Related Fund may also obtain information while

dealing with its portfolio companies that it is prohibited from acting on or disclosing to another Fund or its portfolio company 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 generally will apply the experience obtained by advising the Funds to benefit Related Funds. Related Advisers and the Sixth Street affiliates advising them are under no obligation to take into account the Funds' interests in advising their portfolio companies.

Conflicts Arising from Our Relationship with the Funds and Managers of TICP-managed CLOs

We have certain contractual and economic relationships with managers of TICP-managed CLOs ("TICP Collateral Managers") that may give rise to potential conflicts of interest in our dealings with certain Funds. We are affiliated with certain parties that, directly or indirectly, control TICP Collateral Managers. While we will not be entitled to advisory fees from the Fund in respect of investments in CLO equity tranches, which are anticipated to comprise the majority of certain Funds' investments, we will be entitled to advisory fees in respect of certain Funds' other investments and, through the control of TICP Collateral Managers, our affiliates will also benefit from the asset advisory fees and performance fees received by the TICP Collateral Managers from TICP-managed CLOs. The Funds' limited partners may also be directly or indirectly responsible for a portion of certain additional expenses borne by a Fund and payable to the TICP-managed CLO in connection with such investment, and the Funds' limited partners may not receive the benefit of any offset or similar reimbursement for such additional expenses received by TICP Collateral Managers. There is no requirement under the Governing Documents for advisory committee or limited partner approval for transactions between a Fund and affiliates of the general partner, including TICP Collateral Managers, so long as such transactions are on terms no less favorable to the relevant Fund than could have been obtained with an unaffiliated collateral manager.

Further, while it is a general risk for investors in CLOs, including for the Funds, that a collateral manager may invest in riskier or more speculative assets to increase the performance fee that the collateral manager receives, such risk may be increased when the Funds are investing in a TICP-managed CLO, due to both the general partner receiving performance-based compensation from the Funds and the affiliated TICP Collateral Manager benefitting from performance fees under the relevant collateral management agreement (although the Funds will be entitled to the benefit (whether by rebate, waiver, assignment or otherwise) of its pro rata share of incentive advisory fees that would otherwise be payable by the Fund in respect of its interests in TICP CLO equity tranches).

Potential conflicts of interest may also arise when a TICP Collateral Manager is establishing a new TICP-managed CLO. In the event that the TICP Collateral Manager is unable to secure third-party investment in certain tranches, in particular the most subordinated tranches of rated debt, of the TICP-managed CLO, we may have a greater incentive to make a Fund investment in such TICP-managed CLO. Although potential conflicts of interest may arise in connection with our relationship with the Funds and the TICP-managed CLOs, we generally will evaluate transactions on a case-by-case basis to address any such conflicts.

Conflicts Related to Insurance Platform and Related Strategies

Sixth Street has established, and is continuing to develop, an insurance strategy which seeks to capitalize on favorable market conditions in the dislocated European insurance sector, by utilizing affiliates to provide certain insurance-related services, including asset and liability management advice, asset allocation, sourcing and oversight and related services (“Sixth Street Insurance”).

Sixth Street Insurance currently provides its services to clients, comprising portfolio investments of certain Funds. It is anticipated that the number of portfolio company clients of Sixth Street Insurance will increase in future and it is possible that Sixth Street Insurance may also provide services to third party insurance or other clients operating in similar sectors.

In connection with Sixth Street Insurance, affiliates of Sixth Street will generally receive advisory fees or other compensation (including compensation determined in part on the basis of assets under advice or under management with respect to any client), and such amounts may exceed the aggregate fees and compensation otherwise payable by the Funds. Although Sixth Street generally expects that investment opportunities appropriate for clients advised by Sixth Street Insurance will not be appropriate for the Funds, this may create an incentive on the part of Sixth Street and its other affiliates to present investment opportunities to clients of Sixth Street Insurance instead of the Funds, including investment opportunities that may be suitable for the Funds. Furthermore, such compensation may represent a potential conflict of interest insofar as Sixth Street Insurance is incentivized to recommend a Sixth Street managed fund to portfolio investments of its Funds, in preference to products available elsewhere in the market.

In addition, because Sixth Street Insurance is expected to provide, in part, non-discretionary advisory or sub-advisory services to its clients who will retain independent investment management discretion, Sixth Street will not be able to control the actions of such persons with respect to any particular investment opportunity or investment decision. Such persons will not generally have a duty to directly act in the interests of Sixth Street, its Funds or their respective investors and, conversely, may have affirmative duties to act in the interests of others and to prioritize those interests over the interests of Sixth Street, its Funds or their respective investors. Portfolio investments of Funds and/or third parties are not “Affiliates” of the General Partner or the Funds, and investment opportunities that are presented to or sourced by such persons will generally not be required to be offered to the Funds or otherwise subject to a duty to offer to the Funds. To the extent Sixth Street professionals serve on the boards of directors of such portfolio investments, they may have duties to present such opportunities to the portfolio investments.

Companies in which Funds hold portfolio investments, including clients of Sixth Street Insurance, may invest as a Limited Partner in the Funds which may give rise to actual, potential or apparent conflicts of interest. For example, such person in its capacity as a limited partner in the Funds would not be an affiliate of the General Partner and accordingly would be expected to participate in voting, consent or similar matters presented to the partners. Although such person would be expected to participate in any such vote, consent or similar matter in accordance with instructions issued by their board of directors or another independent management function, such instructions may be influenced, directly or indirectly, by Sixth Street’s interest in such person, including Sixth Street Insurance operating in an advisory capacity with respect to such person.

Sixth Street or its affiliates may form one or more Funds to pursue investment opportunities in connection with such advisory or discretionary asset management services provided by Sixth Street Insurance. Sixth Street personnel are expected to devote time and attention to such activities (and investment opportunities pursued by such Funds, or the portfolio investments and third parties that are clients of Sixth Street Insurance), which may include sourcing, underwriting, structuring, financing, accounting, operational or other services in connection with the making, negotiating, monitoring, holding and disposition of portfolio investments themselves and/or the underlying assets or investments of such portfolio investments.

Sixth Street may take steps to mitigate, or there may be other mitigants to, conflicts of interest should they arise, including by recourse to (i) applicable law, (ii) independent governance bodies that control day-to-day management matters, including with respect to asset management decisions or (iii) subjecting fee rates to external review. Whilst there can be no guarantee that such steps would be successful in mitigating all such conflicts to the extent they arise, Sixth Street will continue to monitor, identify and, where possible, seek to mitigate such conflicts as appropriate.

For a discussion of certain other relevant conflicts of interest involving Sixth Street Insurance and other platform companies, please see “*Item 11—Platform Companies*”.

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

Investment professionals associated with the Funds and Related Funds regularly obtain non-public information regarding target companies and other investment opportunities. Since we and our related persons do not currently maintain permanent information barriers among most of our businesses (subject to certain exceptions, including TICP), we generally impute non-public information received by one investment team to all other investment professionals, including all of the personnel who make Fund investments. In the absence of an information barrier, if a Fund or Related Fund receives non-public information with respect to a company, the other Funds would face, as a result of securities law prohibitions on trading on the basis of material non-public information or applicable industry conventions (such as with respect to secondary loan trading), restrictions on their ability to pursue a transaction with that company or dispose of an investment. As a result, a Fund may decline to receive non-public information or otherwise pursue an investment opportunity if doing so would prevent the other Funds or Related Funds from trading securities or debt instruments currently in their portfolio or of interest to them, even where the receipt of such non-public information or pursuit of such opportunity would be in the Funds’ best interests. Moreover, the confidentiality agreements other Funds and Related Funds enter into often include provisions, such as “standstills,” that could prevent the Funds from making an investment, potentially for extended periods. Any resulting delays in Fund acquisitions and dispositions would negatively affect the Funds’ performance. There can be no assurance any existing information barrier will continue to be in place or effective at any time in the future.

In addition, some Related Funds regularly trade securities in the secondary market. In the absence of information barriers, a Fund’s receipt of non-public information on a particular company would, as a result of securities laws, generally restrict the trading activities of these Related Funds with respect to that company. Moreover, certain Governing Document provisions could impair another Fund’s or Related Fund’s ability to trade the securities or debt instruments of a company if a Fund invests in that company.

Aside from the permanent information barrier that exists between TICP and the other Funds and Related Funds, in limited circumstances we erect temporary information barriers to restrict the transfer of non-public information between Related Funds and Funds to avoid the restrictions described in the preceding paragraph. In these instances, however, a Fund's ability to benefit from our expertise outside any such barrier will be limited. In addition, in the event that a temporary information barrier designed to protect a Fund is breached, even if inadvertently, the Fund will likely face the same restrictions on its investment activities as it would have faced had the temporary information barrier not been established in the first place.

In addition, in the event that a Fund also invests in a borrower in which such Fund or a CLO held by the Fund invests (each, an "Underlying Borrower"), such CLO and/or the Fund may be subject to regulatory or legal restrictions or constraints that may not have applied had such Fund not also invested in the Underlying Borrower. Conflicts of interest may also arise in the event that a Fund holds an interest directly in an Underlying Borrower, including where it can exercise certain rights and may direct the Underlying Borrower to act in a manner that is adverse to the interests of such CLO or other credit investment in which the Fund invests.

Conflicts Arising from Other Investment Activities of the Funds and Related Funds – Walled-Off Businesses

While we and our related persons generally allow for information to flow freely among its investment platforms, we have in the past and may in the future place certain discrete businesses behind information barriers and hired separate teams to manage them (e.g., TICP). Given that these businesses have been "walled off" from our and our related persons' other businesses, they generally do not have access to non-public information about the Funds and their investments and have different day-to-day management from the Funds. Accordingly, these "walled-off" businesses may not be subject to certain restrictions otherwise applicable to affiliates under certain Funds' Governing Documents.

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

The amount of equity owned by Funds and/or Related Funds, any relevant contractual arrangements between such portfolio company and the participating funds and other relevant factual circumstances could result in an extension to one year of the ninety-day bankruptcy preference period with respect to payments made to a Fund 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 Funds and the Related Funds will typically be deemed to control, participate in the management of or influence the conduct of portfolio companies. The effect of these relationships will vary from jurisdiction to jurisdiction. These factors could expose the assets of a Fund to claims by a portfolio company, its security holders, its creditors or governmental agencies.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (i) a court might require a Fund 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 Fund 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 Funds would otherwise have to make investments.

Conflicts Relating to the Use of Leverage

Certain Funds utilize various forms of leverage in connection with their investments and operations. The use of borrowed funds creates the opportunity for greater total returns and allows us to better manage a Fund's cash flows, but at the same time involves risks and potential conflicts of interest. We describe certain of the significant risks and conflicts below.

Fund-Level Borrowing

From time to time, Funds, directly or indirectly, borrow funds or enter into other financing arrangements, among other things, to

- pay expenses (including advisory fees),
- make or facilitate new or follow-on investments and/or temporarily fund such investments,
- make payments under guarantee, surety or hedging transactions,
- fund the payment of any withholding or other tax on behalf of or with respect to any investor,
- cover any shortfall in capital contributions resulting from default or excuse, or
- make or facilitate distributions of proceeds from an investment.

We refer to these borrowings generally as “fund-level borrowing.” Governing Documents generally permit Funds to borrow for these purposes subject to certain exceptions. Typically, a Fund (or one or more Fund special purpose vehicles) enters into one or more credit facilities (commonly referred to as “subscription lines”) as credit parties. The general partner of the Fund determines the credit facility's administrative agent, lenders and terms (and any amendment, extension, refinancing, replacement or termination of the credit facility) without seeking the approval of the Fund's investors or its advisory committee. Credit facilities typically allow revolving borrowings up to a specified principal amount that will be determined based in part on the Fund's capital commitments and the creditworthiness of each Fund investor. Generally, credit facilities provide for a specified maturity date, but a lender may have the ability to demand early repayment in the event of a default. The Fund typically pays interest on amounts borrowed under the credit facility and also pays a fee on the undrawn portion of the credit facility. Funds customarily pay a one-time fee for establishing the credit facility as well as certain other one-time and recurring fees and/or expenses. Amounts borrowed under the credit facility are generally secured by pledges of our right to call capital from, and the right of the Fund to receive amounts funded by, investors. The credit facility may also be secured by other collateral, including the Fund's investments and collateral accounts into which the payment of capital contributions are

made, and any investor claim against the Fund would likely be subordinate to the Fund's obligations under the credit facility. While Funds tend to be the only Funds to engage in fund-level borrowing, the following discussion assumes that Co-Investment Vehicles also borrow from time to time.

Utilizing borrowed funds in advance or in lieu of calling capital affords us flexibility to manage cash flows to and from a Fund's investors and ease the investors' burden of responding to multiple capital calls. It also allows a Fund to act more quickly on investment opportunities, since the period of time to draw capital under a credit facility is typically shorter than the period required for calling capital from investors. However, as discussed below, utilizing borrowed funds involves risks and conflicts of interest.

Certain Risks and Costs of Fund-Level Borrowing

Fund-level borrowing gives rise to risks and costs. For example, because amounts borrowed under a credit facility are typically secured by pledges of our right to call capital from a Fund's investors and, in limited circumstances, may also be secured by other Fund assets, a lender may foreclose on the pledged collateral, including the investors' capital commitments and, only if applicable, the Fund's investments, if the Fund fails to repay the amounts borrowed under a credit facility or experiences another event of default. Moreover, any investor claim against the Fund would likely be subordinate to the Fund's obligations to the credit facility's creditors.

In addition, fund-level borrowing will result in incremental partnership expenses that will be borne by the Fund's investors. These expenses include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of the credit facility, an upfront fee for establishing a credit facility and other one-time and recurring fees and/or expenses.

We often have significant discretion in negotiating the terms of any credit facility, which may contain other terms that restrict the activities of the Fund and the investors or impose additional obligations on them. For example, the credit facilities may impose restrictions on the ability of the Fund's general partner to consent to the transfer of an investor's interest in the Fund. In addition, in order to secure the credit facility, we may request certain financial information and other documentation from investors to share with lenders. It is possible that only investors with respect to which lenders have provided the Fund with borrowing base credit would be affected. If the terms of, or the costs associated with, the credit facility for one Fund differ from those of another Fund, the returns of each Fund may diverge.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a credit facility allows us to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under the credit facility could cause liquidity concerns for investors that would not arise had we called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the investor to meet the accumulated, larger capital calls at the same time. We may also utilize fund-level borrowing when we expect to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital at a portfolio company or in contemplation of a syndication or other partial sell-down. If we are ultimately unable to repay the borrowings

through those other means, investors would end up with increased exposure to the underlying investment, which could result in greater losses in a declining market.

Our Incentives to Engage in Fund-Level Borrowing

We have incentives to engage in fund-level borrowing notwithstanding the expense and risks that accompany it. For example, we intend to present certain performance metrics, such as net internal rate of return (“IRR”) and net multiple-of-money, in the Fund’s periodic reports and marketing materials for other Funds and Related Funds. Certain of our performance metrics, including our current presentation of net multiple-of-money and net IRR, measure investors’ actual cash outlays to, and returns from, the Fund and thus depend on the amount and timing of investor capital contributions to the Fund and Fund distributions to investors. To the extent the Fund uses borrowed funds in advance or in lieu of calling capital, investors make correspondingly later or smaller capital contributions. Also, borrowing to facilitate distributions of proceeds from an investment enables investors to receive distributions earlier. As a result, the use of borrowed funds generally results in the presentation of higher performance metrics than simply calling capital, even after accounting for the attendant interest expense.

Fund-level borrowing can also affect the return investors in a Fund must receive before the Fund’s general partner accrues carried interest (the “preferred return”), as well as the carried interest the general partner receives, as preferred return and carried interest generally depend on the amount and timing of capital contributions and distributions of proceeds. In particular, the preferred return typically begins to accrue after capital contributions are due (regardless of when a Fund borrows, makes the relevant investment or pays expenses) and ceases to accrue upon return of these capital contributions. Using borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. Since a Fund generally does not pay preferred return on funds borrowed in advance or in lieu of calling capital, fund-level borrowing will therefore reduce the amount of preferred return to which a Fund’s investors would otherwise be entitled had we called capital, and thus could allow the Fund’s general partner to receive carried interest sooner than it would without borrowing.

Similarly, certain Funds’ carried interest rate is based in part on a net IRR calculation. The net IRR of the Funds for these purposes also depends on the timing of actual investor capital contributions and not of the Fund’s deployment of capital. As a result, if we borrow money in lieu of issuing capital calls, the applicable carried interest rate may be higher than it would be had we not used borrowings. We therefore have an incentive to cause the Fund to borrow money for investments and expenses in larger amounts or over longer periods of time.

In addition, under the Governing Documents of certain Funds, the general partner may draw on fund-level borrowing to pay carried interest that it was entitled to receive, but did not receive, from earlier distributions of proceeds. For example, the general partner may choose to distribute the entire proceeds from a disposition to the limited partners in order to return capital contributions more quickly rather than dividing the proceeds of such disposition between itself and the limited partners in accordance with the distribution “waterfall.” If the general partner determines that it should have received carried interest as part of such distribution, it may subsequently cause the applicable Fund to borrow to pay itself (or may pay itself directly at a time when the Fund has outstanding borrowings that may otherwise have been repaid by such amounts) such amounts as it is entitled to under such Fund’s Governing Documents. Such an arrangement could reduce the

amount of preferred return that would accrue to limited partners as compared to distributing carried interest at the time of the original distribution.

Impact on Advisory Fee Calculation

The advisory fee payable by investors in certain Funds depends on the amount of the investors' "actively invested capital contributions" or net asset value. An investor's "actively invested capital contributions" and net asset value generally include amounts we borrow to fund all or part of an investment in lieu of calling capital. Therefore an investor would generally pay advisory fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. "Actively invested capital contributions" excludes contributions made in respect of certain portfolio investments in respect of which there has been a disposition, to the extent of such disposition. We have broad discretion in determining whether and to what extent a disposition has occurred and will have a conflict where determining that a disposition has occurred would reduce the actively invested capital and correspondingly decrease the advisory fees paid under the Governing Documents.

Other Forms of Financing

In addition to fund-level borrowing, we may utilize leverage at the level of a portfolio company or a special purpose vehicle formed to invest in or hold one or more portfolio companies. Borrowings by entities other than a Fund that are generally not directly or fully recourse to a Fund in the ordinary course will generally not constitute fund-level borrowing for the purpose of applying the Governing Documents limitations on borrowings.

Funds invest from time to time in portfolio companies whose capital structures have significant leverage. Although we seek to use leverage in a prudent manner, the leveraged capital structure of investments increases the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio companies or their industries. The incurrence of significant indebtedness could also subject portfolio companies to restrictive covenants, terms and conditions, the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow. Any such restrictive covenants, terms and conditions could also limit such portfolio companies' ability to respond to changing industry conditions, make necessary capital expenditures, obtain additional financing, take advantage of growth opportunities or engage in strategic acquisitions.

A special purpose vehicle a Fund forms to hold one or more investments may also engage in borrowing. For example, a special purpose vehicle could enter into a "margin loan" whereby it borrows money from a bank (distributing the proceeds to the Fund for further distribution to investors) and pledges the shares of the underlying portfolio company (or other asset) as collateral for the loan. Under these arrangements, the special purpose vehicle would typically be subject to a margin call if the value of the underlying assets decreases significantly. In order to meet the margin call, the special purpose vehicle would need additional assets to avoid foreclosure. Even if the margin loan is not recourse to the Fund, we may have the Fund contribute additional capital to the special purpose vehicle to avoid adverse consequences to the investment, including foreclosure on the collateral at a lower valuation.

A Fund may enter into guarantees or other forms of surety with respect to the indebtedness of third parties, including portfolio companies. In these circumstances, the creditor typically would have recourse to the Fund to satisfy the obligations of the third party. These arrangements pose many of the same risks and conflicts associated with fund-level borrowings. Although Governing Documents typically cap a Fund's ability to enter into such guarantee or surety arrangements, the caps are generally incremental to the fund-level borrowing limits.

In addition, a Fund may enter into contractual arrangements, including deferred purchase price payments, staged funding obligations, earn outs, milestone payments, and equity commitment letters and other forms of credit support, that obligate it to fund amounts to special purpose vehicles, portfolio companies or other third parties. Such arrangements may not constitute borrowings or guarantees under the applicable Governing Documents and may not be subject to the related caps, even though these arrangements pose many of the same risks and conflicts associated with the use of leverage that the caps intend to address.

Cross-Default

Funds and related vehicles, including parallel investment entities and lockstep vehicles, may engage in fund- or asset-level financing whereby (i) the Fund and/or such vehicles are jointly responsible on a cross-collateralized basis for the repayment of the indebtedness or financing and/or (ii) the commitments of investors in the Fund and/or such vehicles are pledged to secure the financing obtained for the benefit of such other vehicles. While such arrangements may be joint and several with respect to the Funds, such arrangements may not necessarily impose reciprocal joint and several and/or cross-collateralized obligations on such vehicles. To the extent that providers of such indebtedness or financing require that it be secured by, or have the credit support of, a particular Fund, the investors may be called upon to fund their entire commitment to repay indebtedness, which may or may not be indebtedness of the Fund in which such investor is a limited partner, and the failure of other investors to honor their commitments may result in an investor's payments exceeding its pro rata share of the indebtedness. While we intend for the Funds, where appropriate, to enter into back-to-back agreements with related vehicles in respect of certain types of credit support, a Fund would still be subject to the risk of default by such other vehicles.

Similarly, to the extent a Fund invests in the same or related assets as another Fund or Related Fund, we may structure the investment financing so that the Fund is jointly and severally liable for the financing with the other Funds or Related Funds. We expect this to arise, for example, if a Fund and Related Fund were to invest in the same portfolio company and provide a joint and several guarantee for its indebtedness. Joint and several liability could result in the Fund repaying all, or more than its proportionate share, of the indebtedness, exacerbating some of the risks and conflicts described above.

In addition, a Fund may utilize indebtedness to pay for deposits or other investment expenses and costs in advance of the final determination of the investment allocations among the Fund and other Funds and Related Funds. In such a circumstance, although the other Fund and Related Funds would be expected to repay the Fund for its portion of these amounts (including related interest expense) in the event it ultimately participates in the investment, the Fund would be subject to risk of default or non-participation by the other Funds and Related Funds. Similarly, a Fund may utilize indebtedness for purposes of warehousing co-investment opportunities. As described above in

“Allocation of Co-Investment Opportunities,” this presents additional risks and conflicts of interest.

Tax Effects

To the extent a Fund borrows or is deemed to borrow for U.S. federal income tax purposes, it may lead to adverse tax consequences for U.S. tax-exempt investors.

Conflicts Relating to Interests in Non-Affiliated Entities

Any provisions in the Governing Documents that relate specifically to a Fund or our affiliates do not apply to companies, funds, or other entities that are not our affiliates for purposes of the Governing Documents, even if Sixth Street, our affiliates, the Funds or Related Funds have a significant economic interests and/or non-controlling governance rights in such entities. For example, Sixth Street, our affiliates and certain Related Funds have entered into and may continue to enter into joint venture and/or similar arrangements with unaffiliated operating partners or asset managers whereby the Related Funds, Sixth Street or our affiliates may have certain minority governance rights in those ventures, such as veto and change of control protections, and may otherwise have influence over their activities. In addition, such joint venture partners, operating partners and asset managers may be investors in Funds or Related Funds. Transactions by a Fund or its portfolio investments with or alongside such entities generally would not trigger the review or consent provisions of its Governing Documents applicable to transactions with affiliates. Similarly, fees and compensation received by such entities from the Fund or its investments would not offset the Fund’s advisory fees. In addition, investment opportunities sourced by these ventures generally would not be subject to the Funds’ or otherwise allocated in accordance with the allocation principles described above. This includes entities or businesses that are explicitly excluded from the definition of “Affiliate” in the relevant Funds’ Governing Documents, which will not be considered “Affiliates” even if Sixth Street and/or its affiliates were to exercise control over such entities or businesses in the future. In addition, any of Sixth Street’s or a related person’s investment fund or account and its related persons (including investments made thereby) that sit on the opposite side of an information barrier from the Funds will not be considered “Affiliates” even though Sixth Street and/or its affiliates exercise control over them.

Relatedly, portfolio companies and portfolio investments of a Fund, on the one hand, and those of other Funds and Related Funds, on the other hand, are not our affiliates for purposes of the Governing Documents, even if Sixth Street, or its related persons have a significant economic interest in a portfolio company and/or ultimately control it through control of the relevant Related Fund. For example, in the event that a Fund or one of their portfolio investments enter into a transaction with a portfolio company or portfolio investment of another Fund or Related Fund, such transaction generally would not trigger the advisory committee disclosure, review or consent provisions of the Governing Documents applicable to transactions with affiliates. Along similar lines, any compensation or fees that may be paid by the Funds or one of their portfolio investments to a Related Fund’s portfolio company in exchange for advisory, consulting or other similar services will not generally reduce or offset the management fees or carried interest payable to us. Also, if another Fund or a Related Fund establishes a platform company, the Governing Documents may not require that a Fund be offered any investment opportunities that the platform company management sources for the platform company. In fact, circumstances could arise where

platform company management team members who are affiliated with Sixth Street are required by law or contract to present investment opportunities that are suitable for certain Funds to the platform companies before the Funds. Investments made with joint venture partners will often involve performance-based compensation and other fees payable to such joint venture partners, as we determine in our sole discretion. The joint venture partners could provide services similar to those provided by the General Partner to the Funds. Yet, no compensation or fees paid to the joint venture partners would reduce or offset the advisory fees or carried interest. Additional conflicts would arise if a joint venture partner is related to Sixth Street in any way, such as a limited partner investor in, lender to, a shareholder of, a portfolio company of, or a service provider to Sixth Street, the Funds, Related Funds, or their respective portfolio investments, or any affiliate, personnel, officer or agent of any of the foregoing. For example, with respect to any joint venture arrangement that the Funds may enter into with a portfolio company of a Related Fund, Sixth Street may have an incentive to negotiate for a joint venture arrangement in which the economic terms are more favorable to the Related Fund's portfolio company than the Funds.

Furthermore, as noted above, the joint venture partners of certain Funds have been and will be engaged with the responsibility to source and recommend transactions to the general partner potentially on a full-time and/or exclusive basis or through contractual rights of first offer or first refusal, either generally or with respect to transactions satisfying a particular set of criteria. These joint venture partners may source and recommend transactions for the Funds and other Related Funds, and the general partner expects that the same joint venture partner (or partners) may source, recommend and/or participate in multiple investments. Opportunities sourced by such joint venture partners would not be required to be offered to the Funds. Conflicts of interest will therefore arise with respect to the allocation of such investment opportunities among the Funds and other Related Funds and among different classes of certain Funds. For example, certain Funds (or one class of certain Funds) may incur upfront fees, costs or other expenses in connection with establishing a joint venture relationship, however, other Related Funds (or other classes of certain Funds) may benefit from such joint venture relationship if in the future a joint venture partner sources or recommends transactions that are allocated to such other Related Fund (or other class of certain Funds). Additionally, such joint venture partners may receive fees and/or performance-based compensation on a "netted" basis (i.e., arrangements whereby such compensation takes into account all investments sourced or recommended across all relevant Related Funds and/or arrangements whereby carried interest compensation requires the joint venture partner to achieve a certain "hurdle" rate of return across all relevant investments that the Funds participate in alongside the Related Funds). As a result, the compensation payable to a joint venture partner may be based upon not only the investments sourced, recommended or consummated by the Funds, but also by Related Funds. A joint venture partner that receives performance-based compensation may have an incentive to source or recommend more speculative investments than they would otherwise source or recommend in the absence of such performance-based compensation. In certain circumstances, the compensation arrangements applicable to a joint venture partner could create incentives for such joint venture partner not to source or recommend transactions for the Funds (for example, if earlier investments performed poorly and a netted compensation structure made it unlikely that a joint venture partner would receive performance-based compensation taking into account subsequent investments). Joint venture compensation arrangements could also create incentives for Sixth Street and its affiliates to allocate an investment opportunity sourced or recommended by a joint venture partner to another Related Fund instead of or before the Funds, for example where such an allocation will reduce the total amount payable to the joint venture

partner by one or more Related Funds, either on an individual or aggregate basis. Finally, given that Sixth Street expects to engage the same joint venture partners with respect to multiple investments and with respect to various Related Funds, we may be disincentivized to exercise remedies against such joint venture partners pursuant to the constitutive documents of such joint venture arrangements.

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

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

When a Fund directly or indirectly controls, or is under common control with, an issuer of securities that are held by such Funds and issued under an indenture qualified under the Trust Indenture Act of 1939, the securities held by the Fund would be disregarded under the Trust Indenture Act 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 a Fund will depend substantially on our investment professionals’ ability to, among other things, source, underwrite, structure, complete, finance and manage investments, improve the operations, governance and performance of the companies 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 to each Fund’s activities as we determine to be appropriate, consistent with the relevant Governing Documents. Our professionals, however, also spend time assisting other Funds and/or Related Funds with their investment activities or working on other projects. Sixth Street personnel are also expected to devote time and attention to certain portfolio companies of Funds and Related Funds. For example, Sixth Street and/or one or more of its affiliates is expected to serve in an advisory or discretionary asset management capacity with respect to certain portfolio companies held by Funds and/or Related Funds, and in such capacity are expected to receive compensation in addition to the management fee and performance-based compensation set forth in the partnership agreements and other constitutive documents of such Funds or Related Funds. Such portfolio companies may pursue investment opportunities that could also be suitable for the Funds, and Sixth Street personnel are expected to devote time and attention to such portfolio companies (and investment opportunities pursued by such portfolio companies), which may include sourcing, underwriting, structuring, financing, accounting, operational or other services in connection with the making, negotiating, monitoring, holding and disposition of such portfolio companies themselves and/or the underlying assets or investments of such portfolio companies. To the extent such professionals serve on the boards of directors of these portfolio companies, they may have duties to present such opportunities to the portfolio companies. Conflicts therefore arise between the Funds and/or Related Funds with respect to the allocation of

investment professional time. In the event that any of such investment professionals ceases to be actively involved with a Fund, investors therein will be required to rely on our ability to identify and retain other investment professionals to conduct such Fund's business. Such personnel may also have significant commitments outside of their business time and at certain times may significantly decrease the level of time they spent on business activities (e.g., in connection with medical leaves, parental leaves or sabbaticals).

Conflicts Arising from Customized Terms Provided to Certain Investors

Investors increasingly expect to make investments in private investment funds on customized terms. We accommodate these expectations by entering into written agreements, which we refer to as "side letters." We may also provide customization by forming separate accounts for certain investors that would invest alongside the applicable Fund on terms that differ from those in the Fund's Governing Documents. A side letter typically relates solely to an investor's interest in a single Fund (*i.e.*, it does not relate to any other Fund or Related Fund) and allows the investor to make its investment in the Fund on terms that are different from, and usually more favorable than, those set forth in the relevant Governing Documents. These customized terms typically result in preferential treatment, with respect to, among other things:

- the fee structure, including reduced or modified advisory fees and/or carried interest;
- the reporting obligations of the applicable Fund;
- the offering of co-investment opportunities;
- the right to transfer interests in the applicable Fund;
- the ability to opt out of investments (which, to the extent exercised, would increase the pro rata interest in, and contribution obligations of, other investors in those investments);
- consent rights with respect to certain amendments to documents that govern their rights and obligations and those of the applicable Fund;
- the right to withdraw from the applicable Fund in the event of adverse tax or regulatory events (which, if exercised, would increase the other investors' pro rata interest in all the applicable Fund's investments);
- the right to appoint a representative to the advisory committee of the applicable Fund, if applicable, or other similar advisory groups;
- additional confidentiality protections or waiver of existing confidentiality obligations and the right to disclose certain information to underlying investors or to the public, including, but not limited to, for the benefit of lenders or other persons extending credit to or arranging financing for the Funds;
- the investor-specific information or documentation that the Fund may otherwise provide to lenders, other financing sources or other third parties;

- the right to disclose certain information to underlying investors or to the public;
- structuring rights with respect to certain types of investments;
- preferential terms regarding termination of a limited partner's commitment period;
- matters regarding such limited partner's (or its affiliates') interest in providing debt financing to the Funds or their portfolio investments;
- the offering of co-investment opportunities (see "*Allocation of Co-Investment Opportunities*" above); and/or
- any other terms, whether economic, procedural or otherwise.

We will consider many factors in deciding whether to accord investors in Funds customized terms via a side letter and are more likely to grant preferential treatment to the following types of investors:

- investors that have made or have proposed to make relatively large commitments to the Fund or Related Funds or that are anticipated to be important to future fundraising campaigns for us and/or our related persons;
- investors that have a broader strategic relationship with us and/or our related persons;
- investors that are subject to specific legal, tax or regulatory requirements or policies applicable to them; and
- other investors meeting other criteria we consider reasonable in our discretion.

In general, no investor has any rights under the side letters of other investors. The Governing Documents of certain Funds, however, include a "most-favored nation," or "MFN," clause whereby an investor automatically receives certain rights and benefits granted in certain other side letters with respect to the Fund. Except to the extent required by the Governing Documents of the applicable Fund, we and our related entities have no obligation to offer any such additional rights, terms or conditions to any other investor in such Funds.

Favorable Terms Provided to Affiliates and Related Persons

The employees, business associates and other "friends of the firm" of ours or our affiliates are typically able to invest directly or indirectly in Funds on terms that are more favorable than those offered to other investors. Such favorable terms may involve, among other things, a waived or reduced advisory fee, and the waiver or reduction of other restrictions. The Funds have no obligation to disclose or offer such favorable terms to any other investor in the Fund, except to the extent required by the Governing Documents of the applicable Fund.

Conflicts Arising in Relation to Certain Borrowing Arrangements

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such obligation, the other Funds could be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangements when we determine it is consistent with the relevant Governing Documents and otherwise in the best interests of the Funds.

Conflicts Related to the Valuation of Assets

We generally determine, in our discretion, the fair value of each Fund'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 Funds is less than the capital contributions made with respect to it, we are obligated under the relevant Governing Documents to write down the asset. Depending on the extent of the write-down, the Fund may need to receive proceeds in the amount of the write down, among other amounts, before its general partner could begin to receive carried interest. A decision not to write down an investment would avoid this negative impact on the amount of carried interest due the general partner. Second, the rate of carried interest allocated to the general partners of certain Funds depends on whether the Fund achieves a certain multiple-of-money or rate of return. Higher valuations could facilitate the Fund's achievement of a multiple-of-money or rate of return that would result in the receipt by the corresponding general partner of a greater amount of carried interest than if the valuations were lower. Third, we regularly report to investors in the Funds, prospective investors and the investor community more generally metrics of the Funds' performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the Funds' investments, including unrealized investments. These reports are an indication of the overall health of the Funds and are important to our efforts to attract investors to Funds 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 Funds' 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.

Additionally, there is no obligation under certain Funds' Governing Documents for the general partner to "write down" the value of a Fund's assets, even where there has been a decline in value. As a result, the carried interest borne by investors will not be reduced to reflect any decline in the

value of the assets held by the Fund at the time of the determination. Similarly, the actively invested capital with respect to each investor will not be reduced in such circumstances and accordingly the management fees borne by the investors will not be reduced.

Conflicts Relating to Fee Structure and Carried Interest

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

See also “*Item 6 – Performance-Based Fees and Side-by-Side Management*” for a description of the other conflicts that arise as a result of the methodology for determining the amount of carried interest earned by the general partner of a Fund.

Conflicts Relating to Services Provided by Related Persons

From time to time we, in our discretion, contract with related persons (including a portfolio company of a Fund, an employee’s family member or a former employee of us or our related persons) to perform services (including brokerage services) for us in connection with our provision of services to the Funds. 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 Fund or one of its portfolio companies that it contract for services or, in providing services to a Fund, directly engage with

- a related person of ours (including a portfolio company of a Fund); or
- an entity or person with which or whom we or an employee has a relationship or from which or whom we or an employee otherwise derives financial, personal or other benefit.

When making such a recommendation, it is possible that we or our employee, 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. For information about certain services provided by our employees, see “*Item 5 – Certain In-House Services.*”

Our affiliate, TSSP Insurance Office (“TIO”), will enter into transactions or other arrangements with portfolio companies of certain TAO Funds, including for providing asset management services for such portfolio companies or certain assets thereof, in each case, subject to restrictions and/or approvals set forth in the Governing Documents of the applicable TAO Funds. Fees or other compensation paid by such portfolio companies will be retained by TIO or Sixth Street, as applicable, and will not reduce the advisory fees payable by investors in such TAO Funds. Such transactions or arrangements present certain conflicts of interest including, without limitation, our incentive to recommend the services of TIO to such portfolio companies (similar to that described above), certain TIO professionals’ incentive to make riskier decisions with respect to such portfolio companies in order to achieve higher returns which may enhance such professionals’

compensation as a result, and TIO's incentive to favor its interest in connection with its negotiations with portfolio companies with respect to the terms of the transaction or arrangement (including, in particular, fees payable to TIO).

Conflicts Relating to Related Services

As described in Item 5 above, we will from time to time perform Related Services for, and, consistent with the Governing Documents, will receive fees or reimbursements from, actual or prospective portfolio companies or other investment vehicles of the Funds. Such fees will be in addition to any advisory fees or carried interest the Funds pay us. This creates a conflict of interest between ourselves and the Funds and their investors because the amounts of these fees and reimbursements are at times substantial and the Funds 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 boards of directors of or lenders to portfolio companies, and/or third-party co-investors. There are also circumstances (such as the occurrence of an initial public offering or a sale where the Fund maintains a material interest) that will accelerate the payment of a portion of such fees or otherwise result in the payment of other exit, performance-based or termination fees, which may have an adverse impact on the portfolio investment.

Although these fees for Related Services are in addition to the advisory fees, we reduce the amount of advisory fees paid by the applicable Fund 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 Funds and is generally set forth in the Governing Documents of the applicable Fund. Entities other than Funds that participate in investments alongside the Funds (such as entities through which we and certain of our employees and affiliates invest alongside the Funds) often have a right to share in such fees, and the Funds' advisory fees will generally not be reduced in connection with the receipt of such entities' share of such fees. In many cases with respect to the implementation of such arrangements, there is not an independent third party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company. Furthermore, as noted above, a Fund 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 Funds do not pay advisory fees (*e.g.*, certain Co-Investment Vehicles) or do not have offset provisions requiring the reduction of advisory fees, any such reduction may not benefit such Funds.

Conflicts Relating to Activities and Compensation of TPG Operations Professionals

We engage operations professionals to assist our investment teams in creating value in portfolio companies. Some of these professionals are employees and others are consultants. The activities and compensation of these individuals vary depending on whether they are Operations Group professionals, Field Operations professionals or Senior Advisors:

- The Sixth Street operations team is generally comprised of full-time Operations Group professionals. Our Operations Group professionals are generally employees who provide

senior-level engagement with portfolio companies and also work directly with our deal professionals on new deal diligence. They receive cash compensation from us, and we may also grant them carried interest in the Funds. As described below (see “*Providers of Specialized Operational Services to Portfolio Companies*”), we may receive reimbursement for the compensation and related expenses associated with Specialized Operational Services (as defined below) performed by members of our Operations Group, even though they are employees.

- In addition, we can avail ourselves of TPG’s Operations Group professionals and Field Operations professionals.
 - TPG’s Operations Group functions similar to our own (as described above).
 - TPG’s Field Operations professionals have deep, specialized operating experience. Some of these professionals are sector specialists who focus on a particular industry. They are typically embedded within portfolio companies and given responsibility for narrowly defined initiatives that are part of a broader value creation plan, such as lean manufacturing, sourcing, supply chain management or new product introduction. They sometimes also act as interim members of management for portfolio companies. Field Operations professionals have tailored compensation arrangements specific to their engagement. They can receive cash compensation from us, a Fund, Related Fund or a portfolio investment, including equity grants from portfolio companies, depending on their individual arrangement and the services they provide, but do not typically receive carried interest in the Funds or Related Funds. Most of our Field Operations professionals’ compensation is generally either paid or reimbursed by the Fund or Related Fund as a Specialized Operational Service Expense, regardless of whether we engage them as employees or consultants. For more information about Specialized Operational Services, see “*Providers of Specialized Operational Services to Portfolio Companies*” below.
- Our “Senior Advisors” are consultants who generally have established industry and/or regional expertise and are available to assist us with transaction sourcing, due diligence, valuation, structuring, consulting and similar matters and to serve on the boards of directors of portfolio companies. We may utilize other similar consultants with, for example, more narrow expertise. Senior Advisors and such other consultants have tailored compensation arrangements specific to their engagement. They can receive compensation in multiple forms, depending on their individual arrangement and the services they provide, including cash payments from us, a Fund or a portfolio investment, carried interest in the Funds, profits interests in a portfolio investment, equity or stock option grants from a portfolio company, and fees and carried interest relating to a particular transaction. Compensation from portfolio companies to our Senior Advisors and other consultants generally do not offset the advisory fees payable by investors in the related Funds.

We determine in our discretion whether to engage an operations professional as an employee of us or our related persons or as a consultant. Sometimes, an operations professional is initially engaged as a consultant and later transitions to employee status. Conversely, sometimes an operations professional is initially an employee and later becomes a consultant. Our determination

regarding whether to engage an operations professional as either an employee of Sixth Street or its related persons or a consultant may give rise to conflicts of interest because, in general, except with respect to Specialized Operational Services, the compensation costs for employees of Sixth Street or its related persons are borne by us, whereas compensation costs for consultants may be paid by us, a Fund or Related Fund or a portfolio company, as described above. Where an operations professional is performing a Specialized Operational Service for a portfolio investment, the Governing Documents of certain Funds allow us to be reimbursed for the costs of those services, regardless of whether the professional providing the service is an employee or consultant.

Conflicts Relating to Activities and Compensation of Senior Advisors

We maintain business relationships with certain advisors and consultants who we expect to assist or advise us with respect to transaction origination, sourcing, evaluation, negotiation, servicing, development, due diligence, valuation, structuring, consulting or similar matters and to serve on the board of directors of one or more portfolio companies of Funds; in some cases, these individuals are former employees of Sixth Street or its related persons or otherwise have close business and personal relationships with us and may be provided office space and administrative support or other services by Sixth Street or its related persons.

Senior Advisors are independent contractors. They are not our employees, even if most or all of their work is performed on our behalf or at our direction, they perform the same or similar activities as our employees (even in circumstances where a person has attributes of Sixth Street employees (e.g., they may have Sixth Street-related e-mail addresses or business cards or participate in certain benefit arrangements typically reserved for Sixth Street employees) or has in the past been a Sixth Street employee) or they have more access to and involvement in our business activities than other third-party consultants. Senior Advisors are generally not our affiliates for purposes of the Governing Documents and therefore typically are not subject to certain restrictions and conditions that relate specifically to our employees and affiliates. In particular, amounts paid to such persons, including, for example, retainers and expense reimbursements, are typically a Fund expense and, unlike certain in-house and Specialized Operational Services, are not typically capped. A Fund may make payments to a Senior Advisor, and any fees portfolio companies pay to a Senior Advisor (such as sourcing fees or directors fees) will not reduce the advisory fees payable by investors in the Fund, even if such amounts would reduce the advisory fee if they were paid to our affiliates. Thus, we have an incentive to retain Senior Advisors in lieu of hiring additional personnel and rendering the same or similar services to the Funds since the costs of such services are generally expected to be borne by the Funds (without offsetting any advisory fees payable by the investors in the Funds) and/or, for example, because our ability to seek reimbursement from the Funds for Specialized Operational Services and in-house services may be limited and subject to relevant caps.

The time, dedication and scope of work of a senior advisor and such other third parties is expected to vary considerably. In some cases, a senior advisor or other third party may provide us with industry-specific insights and feedback on investment themes, assist in transaction due diligence, and make introductions to, and provide reference checks on, management teams. In other cases, such persons may take on more extensive roles, including serving as executives or directors on the boards of portfolio companies, and contribute to the identification and origination of new investment opportunities. The Funds may rely on these senior advisors or other third parties to

recommend the Funds as a preferred investment partner and carry out their investment program, but there is no assurance that any such person will continue to be involved with the Funds for any length of time. We and the Funds may have formal or informal arrangements with such persons that may or may not have termination options and may include compensation, no compensation, or deferred compensation until occurrence of a future event, such as commencement of a formal engagement, and the compensation can take the form of a salary or equity incentive plan, including a portion of profits derived from the Funds or a portfolio investment or asset of the Funds, or other long-term incentive plans (including compensation based on a waterfall similar to a carried interest or other similar metric). Some senior advisors and other third parties may work only for the Funds and their portfolio investments, while other such persons may have other clients. In particular, in some cases, senior advisors or other third parties may be engaged with the responsibility to source and recommend transactions to us potentially on a full-time and/or exclusive basis or through contractual rights of first offer or first refusal, either generally or with respect to transactions satisfying a particular set of criteria. Such persons could have conflicts of interest between their work for the Funds and their portfolio investments, on the one hand, and themselves or other clients, on the other hand, and we are limited in our ability to identify, monitor and mitigate these conflicts. It is generally expected that senior advisors and other third parties will not be subject to any obligation to act in the best interests of the Funds or their portfolio investments.

Furthermore, in the event we hire a Senior Advisor as an employee or otherwise elect to treat such person as our affiliate, any profits interests or other compensation amounts payable by a portfolio company or a Fund to such Senior Advisor pursuant to an arrangement that was entered into prior to such Senior Advisor becoming our affiliate will not reduce the advisory fees payable by investors in the Fund.

In some instances, Senior Advisors may provide operational services to portfolio companies. Moreover, Senior Advisors may make personal investments in portfolio investments alongside Funds, including in portfolio companies where such persons serve on the board of directors, and Funds may invest in portfolio investments in which Senior Advisors hold existing material investments. Similarly, a Fund may co-invest in portfolio investments alongside funds that are managed by Senior Advisors or invest in portfolio investments in which such funds have an existing material investment.

We believe that the expertise of Senior Advisors will benefit the Funds. Relying on Senior Advisors, however, creates conflicts of interest. For example, we determine the amount of compensation that will be paid to Senior Advisors, but as described above under “*Conflicts Relating to Activities and Compensation of TPG Operations Professionals*,” portfolio companies or a Fund may ultimately pay or reimburse us for such compensation. The close business or personal relationships that some Senior Advisors have with us give us less incentive to negotiate with a prospective Senior Advisor for a lower level of compensation. The appropriate form and level of compensation for a Senior Advisor may be difficult to determine, especially if the expertise and services he or she provides are unique and/or tailored to the specific engagement. If such senior advisors or other third parties generate investment opportunities on the Funds’ behalf, they may receive special additional fees or allocations. Senior Advisors and other third parties have tailored compensation arrangements specific to their engagement. They can receive compensation in multiple forms, depending on their individual arrangement and the services they provide, including cash payments, carried interest, profits interests, equity or stock option grants and fees

and promote relating to a particular transaction and opportunities to invest in the Funds on preferential economic terms. In the event one or more Senior Advisors is providing services to one or more Funds, such fees will be allocated among the relevant Funds as determined by us in a fair and equitable manner, in its sole discretion. Any base compensation paid to a Senior Advisor may, as an initial matter, be allocated to the Funds we expect the Senior Advisor to be providing services to, although the Senior Advisor may ultimately provide more or all of his or her services to another Fund. Compensation from portfolio companies of the Funds to Senior Advisors generally do not offset the advisory fees. The Funds would typically be expected to bear such costs indirectly through portfolio company expenditures. In certain circumstances, Senior Advisors and other service providers may charge rates or establish other terms for advice and services provided to Sixth Street, its related persons, the Funds or any of their respective affiliates or portfolio companies that are different from and more favorable than those charged in respect of advice and services provided to other Funds and their portfolio investments. In addition, given that we (and not a Fund) otherwise pay the salaries of our employees, we have incentives to retain individuals as Senior Advisors instead of hiring them as employees, or to convert existing employees to Senior Advisors.

Conflicts Relating to Activities and Compensation of Other Third Parties

In addition to Senior Advisors, we will retain or elect to use in connection with the Funds other third parties, such as accountants, administrators, lenders, bankers, brokers, attorneys, sourcing persons and consultants, to provide goods or services to the Funds, including certain strategic partners as described in “*Conflicts Arising from Strategic Business Relationships*” below. These services may relate to sourcing, conducting due diligence on or developing potential investments, as well as structuring, managing, monitoring and disposing of investments. In many cases, these are the types of services that our employees could also provide or have in the past provided. Determining whether to engage a third party or an employee gives rise to conflicts of interest because we generally bear, with the exception of certain in-house and Specialized Operational Services reimbursed to us under certain Governing Documents (see “*Item 5 – Fees and Compensation*”), the compensation costs of our employees who render these services, while amounts paid to third parties are typically an expense of the relevant Fund ultimately borne by its investors. We therefore have an incentive to retain third parties rather than hire additional employees and to outsource to third-party service providers functions that our employees could perform or have previously performed.

Such advisors and other service providers, or their affiliates, may also be investors in the Funds, sources of investment opportunities for Sixth Street and its affiliates, the Funds or may otherwise be co-investors with or counterparties to transactions involving the foregoing. These relationships may influence us in deciding whether to select or recommend any such advisor or other service provider to perform services for us on behalf of the Funds, a portfolio investment or Underlying Borrower (the cost of which may be borne directly or indirectly by a Fund, portfolio investment or Underlying Borrower, as applicable). Notwithstanding the foregoing, we will generally seek to engage advisors and other service providers in connection with investment transactions for the Funds that require their use on the basis of the overall quality of advice and other services provided, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that we believe to be of benefit to the Funds.

Conflicts Relating to Rates of Third-Party Advisors and Other Service Providers

As described above, the Funds and their portfolio companies will retain or pay for advisors and service providers, including accountants, administrators, lenders, bankers, brokers, attorneys, sourcing persons and consultants. Some of these advisors and service providers also provide services to or have other relationships with Sixth Street and its related persons. While we will generally seek to engage advisors and service providers on behalf of the Funds and their portfolio companies on the basis of the quality of the advice and other services provided, these relationships may influence our decision to select or recommend an advisor or service provider to perform services for the Funds or their portfolio companies (the cost of which will generally be borne directly or indirectly by the Funds or their portfolio companies, as applicable). In certain circumstances, advisors and other service providers may charge rates or establish other terms for advice and services provided to Sixth Street and its related persons, Related Funds or any of their respective affiliates or portfolio companies that are different from and more favorable than those charged in respect of advice and services provided to the Funds and their portfolio companies. Moreover, whereas we typically negotiate on a matter-specific basis the rates or amounts payable for such services, the Funds or their portfolio companies may sometimes pay higher rates or amounts than we would for such services.

As noted in Item 5, certain portfolio companies of Funds are also, or have been, counterparties or participants in agreements, transactions or other arrangements that involve payments, discounts, reimbursements or other benefits to us or our affiliates. For example, we afford portfolio companies the option to participate in a program with us, our affiliates and other portfolio companies pursuant to which one of our affiliates negotiates favorable procurement arrangements. We and our affiliates, together with participating portfolio companies, receive the favorable procurement terms, which we are able to secure due in part to the involvement of our portfolio companies. This program is a Specialized Operational Service provided to participating portfolio companies, and therefore our affiliates receive reimbursements designed to cover some or all of the cost of administering the program through the method described in “*Item 11 – Providers of Specialized Operational Services to Portfolio Companies*” and such reimbursements are not subject to advisory fee offsets or otherwise shared with the Funds. Because the cost of administering this program is shared among our affiliates and the participating portfolio companies, we may disproportionately benefit from it by utilizing the favorable procurement arrangements to a greater degree than any of the participating portfolio companies and as a result of not all of the portfolio companies availing themselves of the benefits.

Providers of Specialized Operational Services to Portfolio Companies

We provide operational support, regulatory or legal support, specialized operations and consulting services and similar or related services to one or more Funds or portfolio companies in connection with the identification, acquisition, holding and disposition of investments (including potential investments), either through our or our affiliates’ professionals and employees (such as members of our Operations Group), or through the retention of other companies and individuals (such as Senior Advisors). We refer to such services as “Specialized Operational Services” and to the

individuals and companies that provide them as “Specialized Operational Service Providers.” These services include, for example, support or analysis regarding:

- the company’s management (including serving in management positions or participating in the determination of corporate strategy);
- the company’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, identifying, curating and developing a network of talent and third-party recruiting resources in anticipation of supporting portfolio companies, recruiting efforts and determining executive/incentive compensation);
- information technology;
- corporate communications and public relations (including identifying, curating and developing a network of third-party public relations resources in anticipation of supporting portfolio company corporate communications and public relations efforts);
- governmental affairs and relations;
- customer service;
- sustainability (including target setting and strategy, policy and reporting development);
- property management, development and other real estate matters;
- procurement programs (see “*Item 5 – Leveraged Procurement*”); and
- other similar operational matters.

Occasionally, whether a service constitutes a Specialized Operational Service is not clear. In these instances, we will consider, in our sole discretion, a service a Specialized Operational Service if we determine that (i) third parties often provide such a service; (ii) it is a service requiring specialized operational experience or expertise; and (iii) it is performed by an individual or individuals with the relevant experience or expertise. For example, board services would not be Specialized Operational Services subject to reimbursement, as they are not operational services requiring specialized experience or expertise. Services such as establishing or assessing a leveraged procurement plan or developing a market survey designed to enhance market share would be types of Specialized Operational Services that would be subject to reimbursement, as these services require operational expertise. We engage our professionals to provide Specialized

Operational Services when we believe that they more effectively drive value creation than independent service providers.

Specialized Operational Services will at times be provided in respect of portfolio investments prior to the closing of the investment and to Funds in connection with their diligence of potential investments.

As noted in Item 5, portfolio companies and/or the Funds will reimburse the costs and expenses associated with Specialized Operational Services (“Specialized Operational Services Expenses”). Such reimbursements for Specialized Operational Services generally will not reduce the advisory fees charged to Funds, regardless of whether the Specialized Operational Services Expense is incurred in connection with a Specialized Operational Services Provider who is our employee or affiliate. Specialized Operational Services Expenses (including those incurred in connection with an affiliated Specialized Operational Service Provider) will typically be determined in our discretion taking into account the particular Specialized Operational Services.

In the event one or more Specialized Operational Service Providers (directly or indirectly) is providing services with respect to the Fund and one or more Funds, such Specialized Operational Services Expenses will generally be allocated among the Fund and the other relevant Funds pro rata in accordance with their respective investments unless another method is more equitable under the circumstances.

If an employee provides the Specialized Operational Service, we generally determine the associated Specialized Operational Services Expenses by reference to the aggregate annual compensation paid to the employee (including benefits, profits interests, equity interests or other incentive-based compensation, plus an allocation for overhead and other fixed costs) and the amount of time spent by the employee providing the Specialized Operational Services. We use a similar formulation for calculating the reimbursement amounts for Specialized Operational Service provided by consultants such as Senior Advisors. As explained above under “*Conflicts Relating to Activities and Compensation of TPG Operations Professionals*,” these professionals typically have tailored compensation arrangements specific to their engagement that we negotiate with them in our discretion. Given the inherently specialized nature of such services, a limited market for such services exists, often setting no clear market guidelines on appropriate compensation. Although we intend operations professionals to be compensated at competitive rates, their compensation will not necessarily be determined through arm’s-length negotiation.

We have an incentive to retain our operations professionals to provide Specialized Operational Services, even if retaining other providers would be as or more advantageous to the portfolio investment. In addition, possible providers of Specialized Operational Services may be investors in, provide goods or services to or have other relationships with the Fund or Related Funds, which in turn may influence our decision on whom to retain. Moreover, there can be no assurance that the quality of and fees for services provided by Sixth Street operations professionals or TPG Operations Group members will be just as favorable to the Funds or their portfolio companies as those for services provided by parties unaffiliated with Sixth Street.

Diverse Membership

The investors in a Fund are a diverse group that have different investment programs and are 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 Fund'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 Fund, we generally consider the investment objectives of the Fund 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.

There are times when the interests of different groups of investors within a Fund may conflict. The terms of the Fund may effectively require its general partner to make decisions that affect groups of investors in different ways, including with respect to the valuation of investments, the costs associated with making certain investments, and the exercise of discretion regarding the investments in which newly-admitted investors will participate. In addition, investors of one Fund may incur more costs, or be subject to different tax risks or considerations (*e.g.*, in respect of the tax character of income, timing, withholding tax or structural requirements), than investors of the other Funds. To address legal, tax, regulatory, accounting or similar considerations, we expect to structure certain Fund investments so that some (if not all) investors hold their interests through one or more AIVs. While we generally expect that the economic and other substantive provisions governing any AIV will be substantially the same as those governing the Fund (taking into consideration the legal, tax, regulatory, accounting or other impetus for the AIV structure), an investor's rights in, and the obligations and duties of the Fund's general partner as manager of, the AIV may differ from those applicable to the Fund by virtue of the AIV's specific terms or jurisdiction of organization. In addition, the structural attributes of certain AIVs may result in divergent return characteristics for certain investors. For example, we may elect to structure an AIV that results in favorable tax treatment for one set of investors but less favorable tax attributes for another.

In addition, the terms of the TAO Funds create additional potential conflicts between the interests of different investors. In managing these Funds, their terms effectively require us to make decisions that affect groups of investors in different ways, including with respect to the valuation of investments and the exercise of our discretion regarding the investments in which newly admitted investors will participate. For example, new investors may subscribe (subject to our consent and certain restrictions) to the TAO Funds, which will dilute the interests of existing investors in prospective investments and in certain existing investments. Investors in the TAO Funds also have the right under the relevant Governing Documents (subject to certain restrictions) to terminate their obligation to fund new investments. If a sufficiently large percentage of such investors elect to terminate their obligations, the Fund will have access to less capital than anticipated, impairing the Fund's ability to pursue its intended investment strategy or diversify its investments.

In addition, investors in a Fund typically engage in a broad range of investment activities in addition to their investment in the Fund. Some investors may enter into various transactions

relating to the Fund or its portfolio investments, such as co-investments alongside the Fund (see “*Allocation of Co-Investment Opportunities*”), financing transactions for Fund portfolio companies and the acquisition of interests in portfolio companies from the Fund. Provided that an investor is not otherwise our affiliate, these types of transactions generally do not require the approval of investors in the Fund.

Investors that serve on a Fund’s advisory committee (or similar body) will have interests that differ from, or conflict with, the interests of other investors due to different legal, tax or regulatory regimes, their interests in other Funds or Related Funds or their overall relationship with Sixth Street or its related persons (including direct or indirect economic interests in Sixth Street-affiliated entities). The Governing Documents typically provide that each advisory committee member can take into consideration solely its interests in discharging its duties. Accordingly, the advisory committee can make decisions that benefit its members, the Fund or Sixth Street or its related persons, even if they are adverse to other investors in the Fund. Similarly, investors in a Fund do not need to take into account the interests of other investors in voting on matters presented to partners more generally.

We have entered, and expect in the future to enter, into contractual arrangements established pursuant to broader strategic relationships with selected investors. Each such contractual arrangement is highly customized to reflect the specific broader strategic relationship between Sixth Street and the particular investor, and may include

- formation of dedicated vehicles;
- significant historical, pending and/or future commitments to or other participation in Sixth Street funds or other Sixth Street entities;
- the right to be offered co-investment opportunities, and related economic terms, targets and remedies;
- discounted management fee, carried interest or other economic arrangements; and
- knowledge sharing, training and/or secondment arrangements.

A contractual arrangement established pursuant to a broader strategic relationship between an investor and Sixth Street is typically not extended to other investors under the “MFN” clause of Governing Documents. See “*Conflicts Arising from Customized Terms Provided to Certain Investors*.”

Secondments and Internships. From time to time, certain personnel of Sixth Street and its affiliates (including secondees and temporary personnel or consultants that may be engaged on short-term or long-term arrangements) may be seconded to one or more portfolio companies, vendors, service providers and vendors or limited partners of the Funds and/or the Related Funds to provide services, including the sourcing of investments for the Funds or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Sixth Street and its affiliates or the organization for which the personnel are working or both. In addition, personnel of portfolio investments, vendors, service providers (including law

firms and accounting firms) and limited partners of the Funds and/or the Related Funds may, in certain circumstances, be seconded, or serve internships at, Sixth Street and portfolio investments of the Funds. While it is expected that the Funds, Related Funds and their portfolio investments would often be the beneficiaries of these types of arrangements, Sixth Street would, from time to time, be a beneficiary of these arrangements as well, including in circumstances where the vendor or service provider also provides services to the Funds in the ordinary course. Sixth Street or the portfolio investment may or may not pay salary or cover expenses associated with such secondees and interns, and if a portfolio investment pays the cost, it will be borne directly or indirectly by the Funds. The management fee will not be offset or reduced as a result of these secondments or internships or any fees, expense reimbursements or other costs related thereto. The personnel described above may provide services in respect of multiple matters, including in respect of matters related to Sixth Street, its affiliates and related parties, and any costs of such personnel may be allocated accordingly.

Platform Companies

At times a Fund establishes or invests in portfolio companies that in turn seek to acquire interests in related companies or assets. We may structure these portfolio companies, which we refer to as “platform companies,” as operating joint ventures, holding companies, partnerships, structured finance vehicles, incubators, start-ups and other platform companies or other similar arrangements. In the event a Fund makes such an investment, we generally would expect the Fund to monetize its interest in a platform company through a sale or public offering of the platform company (or the Fund’s stake in the company) or through sales of the platform company’s underlying assets.

While the Fund would, by virtue of the control it exercises over a platform company, typically be involved in the strategy, governance and oversight of any platform company, a platform company would also typically retain its own qualified management team, either internally or externally to operate, administer and manage the company on a daily basis, including by sourcing the underlying assets. Such a management team would provide services that are similar to, and that may overlap with, services we provide to the Fund and other Funds or Related Funds. Members of the management team may render services exclusively to the platform company or provide the same or similar services to unaffiliated third parties or to other Funds, Related Funds or portfolio companies, including similar platform companies of predecessor or successor Funds or Related Funds.

The platform company may compensate its management team in a number of ways, including through cash payments, annual salaries and bonuses, incentive-based compensation (such as profits interests, carried interest, equity, options and warrants), fees for services or a combination of the foregoing. In any case, the Fund would generally bear the cost of such compensation, as well as all other platform company expenses, including start-up, operating and overhead expenses, through its direct or indirect interest in the platform company.

Members of a platform company’s management team may receive separate compensation for services rendered to unaffiliated third parties or to other Funds, Related Funds or portfolio companies. In addition, a platform company or its management team may receive a fee or other compensation for forwarding to unaffiliated third parties or to Funds, Related Funds or portfolio companies any investment opportunity that the platform company or Fund (consistent with its

Governing Documents) declines to pursue. Any compensation the management team receives, regardless of whether a Fund or a Related Fund, portfolio company or unaffiliated third party pays, would be in addition to, and typically does not offset, the advisory fee investors in the Fund pay. Similarly, such compensation generally would not trigger the advisory committee disclosure, review or consent provisions of the Governing Documents.

A platform company's structure and relationship to us creates conflicts of interest. For example, although we (by virtue of our control of the Fund) would form the platform company and in doing so may determine or significantly influence the form and amount of compensation paid to a platform company's management team, the platform company (and ultimately the Fund) bears the attendant expense. As with Senior Advisors, the close business or personal relationships that we may have with certain members of management give us less incentive to limit their compensation. In addition, given that we (and not the Fund) otherwise pays the salaries of our employees, we have the incentive to cause a platform company to retain its own management team instead of relying on our employees to provide managerial services, or to convert existing employees into members of a platform company's management team.

Conflicts of interest may also arise in the event directors, officers and other managerial personnel of a Fund's or Related Fund's platform company who are affiliated with us are presented with investment opportunities that are suitable for multiple Funds or Related Funds or their platform companies, on the one hand, and the platform companies of other Funds or Related Funds, on the other hand. In such an event, there can be no assurance that the Funds or their platform companies will be offered such investment opportunities before the platform companies of Related Funds. In fact, circumstances could arise where such directors, officers and other managerial personnel of the other Fund's or Related Fund's platform company are required by law or contract to present investment opportunities that are suitable for the Funds to the Related Fund's platform companies before the Funds.

Conflicts Arising from Strategic Business Relationships

We have also formed and may continue to form relationships with third-party strategic partners so that a Fund or Related Fund can take advantage of the expertise of these strategic partners, often in particular industries, sectors and/or geographies. These strategic partners often have close business relationships with us and provide services that are similar to, and that may overlap with, services we provide to Funds or Related Funds, including sourcing, conducting due diligence on or developing potential investments, as well as structuring, managing, monitoring and disposing of investments.

We determine the compensation of our strategic partners on a case-by-case basis, and this compensation may take the form of

- cash payments from us, a Fund or Related Fund or a portfolio company;
- grants of carried interest generated by a Fund or Related Fund;
- stock option or equity grants in a portfolio company;

- profits interests in a portfolio company or holding vehicles beneath a Fund or Related Fund; and/or
- other similar payments from us, a Fund or Related Fund or a portfolio company.

This creates a conflict of interest because we have an incentive to structure compensation under Strategic Business Relationships so that the Fund or Related Fund (directly or indirectly) bears the costs instead of us. In addition, as with Senior Advisors, our close business relationships with our strategic partners gives us less incentive to negotiate with a strategic partner for a lower level of compensation.

We may also offer strategic partners the opportunity to co-invest alongside a Fund, in some cases regardless of whether such partner played a significant role in sourcing or managing the specific investment (see “*Allocation of Co-Investment Opportunities*” above).

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

Our professionals generally participate indirectly in investments made by the Funds and/or Related Funds. While we believe this generally helps align the interests of our professionals with those of the Funds’ 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 may have an incentive to attempt to influence the allocation of an attractive investment opportunity to the Fund in which they stand to personally earn the greatest return. Our allocation procedures and principles are designed to mitigate the risk that financial incentives improperly influence allocation decisions. In addition, the involvement of a substantial number of professionals in our investment review process lessens the ability of any single person to control an investment decision. Some of our professionals also have personal investments in entities that are not affiliated with us, which likewise gives rise to conflicts of interest. Our Code of Ethics requires Covered Personnel to both pre-clear and disclose such ownership interests periodically.

Conflicts Arising from Service by Our Professionals on Portfolio Company Boards of Directors and Creditors’ Committees

Our professionals occasionally will serve on the boards of directors of Funds’ portfolio companies by virtue of the governance agreements we negotiate with portfolio companies in connection with an investment. While the interests of a Fund as a shareholder in a portfolio company generally align with the interests of shareholders more broadly, it is possible that our professionals’ fiduciary duties to the portfolio company and its shareholders as directors will conflict with the interests of the Fund. For example, it may be inconsistent with a director’s fiduciary duties to share information he/she receives regarding the relevant portfolio company with other Funds even though that information would be beneficial to some Funds.

Our professionals will also from time to time serve on the creditors’ committees of Funds’ portfolio companies in both formal and informal capacities. While these roles should generally advance the interests of the Funds, the professionals’ fiduciary or similar duties to the portfolio companies and its other creditors may conflict with the Funds’ interests.

Conflicts Arising from Interactions with Portfolio Companies

Portfolio companies of Funds (or Related Funds) generally are not our affiliates for purposes of a Fund's Governing Documents. As a result, the Governing Documents' provisions that relate specifically to our affiliates do not apply to Funds' (or Related Funds') portfolio companies, even if we have a significant economic interest in a portfolio company and/or ultimately control it through our control of the relevant fund. For example, in the event that a Fund or one of its portfolio companies enters into a transaction with a portfolio company of a Related Fund, such transaction generally would not require any advisory committee disclosure, review or consent or trigger other provisions of the Governing Documents typically applicable to transactions with affiliates. Also, if a Related Fund establishes a platform company, investment opportunities that the platform company management sources for the platform company generally will not be offered to the Funds.

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

From time to time Funds and/or certain of their portfolio companies have ongoing business dealings, arrangements or agreements with persons who are former employees of ours or a Related Adviser. The Funds and/or their portfolio companies 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 Funds (or their portfolio companies) 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 companies of Funds also could be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds that involve fees and/or servicing payments to us or our affiliates which are not subject to advisory fee offsets or otherwise shared with the relevant Funds.

In addition, portfolio companies of Funds or Related Funds, from time to time, make discounts and other benefits available to our employees in connection with the companies' products or services. Sometimes these discounts or benefits are extended to Covered Personnel in their capacity as board members of the portfolio company. Such benefits or discounts are not considered compensation to Covered Personnel, are not fees for Related Services and do not offset the advisory fees payable by investors in the related Funds.

We from time to time engage in business opportunities arising from a Fund's investment in a portfolio company (for example, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company).

Conflicts Arising from Business with Certain Investors

We have service providers, including for example, investment bankers and outside legal counsel, who are investors in Funds and/or who provide services to businesses that are our competitors. We have a conflict of interest with the Fund 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 Funds or Related Funds or will provide us 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 companies controlled by a Fund from time to time provide services to certain Fund or Related Fund investors. We have an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

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 Fund or one or more other Funds or Related Funds. The general partner of a Fund 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 Funds to dispose of all or a portion of certain investments held by one or more Funds. 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 Funds, 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 Funds. Any such transactions will comply with the Governing Documents of the applicable Funds.

Conflicts Related to Legal Counsel and Other Service Providers Engaged by Funds and Related Funds

Funds and the Related Funds will often engage common legal counsel and other advisors to represent all of the Funds and/or the Related Funds in a particular transaction, including a transaction in which a Fund, other Funds or Related Funds have conflicting interests because they have invested in different securities of the company. In the event of a significant dispute or divergence of interest between a Fund, other Funds 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 Funds and Related Funds, partners in those firms or entities affiliated with those firms

may be investors in such Fund, other Funds or Related Funds, and may also represent one or more portfolio companies or limited partners of such Fund, other Funds and/or Related Funds. Additionally, we and the Funds and the portfolio companies of the Funds will at times engage other common service providers. Engaging common legal counsel and other service providers creates conflicts of interest between us, on the one hand, and the Funds and portfolio companies, 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 we would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

Conflicts Related to Strategic Transactions

TPG is a broad-based alternative investment platform that may engage in strategic transactions, including the acquisition of, or business combination with, other investment platforms or the receipt of investment capital in entities that control us. 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 Agreement or 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 a Fund under applicable law, the general partner of the Fund will not seek the consent of the limited partners of such Fund but will have the authority to act for the Fund in determining whether or not to provide any required consent. If, however, such transaction would adversely impact a Fund's investment activities in any material respect (as described in the applicable Fund's Governing Documents), the general partner will typically need to consult with and obtain the approval of the advisory committee (or similar body) prior to consummating the transaction.

Since the general partner of the Fund 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 Fund or its limited partners, the general partner of the Fund will likely have a conflict of interest in making this determination. Pursuant to the Governing Documents, the general partner of the Fund is under no obligation to seek approval from the Fund's limited partners as to any such consent, and the limited partners will not have the right to remove the general partner or cause the Fund to terminate the Advisory Agreement, transfer their interests or otherwise exit the Fund, or exercise any other rights or remedies (other than those that are explicitly provided in the Fund's Governing Documents).

Conflicts Arising in Respect of Alignment of Interest

A number of persons hold direct or indirect equity and other economic interests in Sixth Street and its related persons, including in our holding company and certain other subsidiaries or vehicles that we control. While these persons mostly are current employees of Sixth Street or its related persons or other individuals who are or have been involved in the activities and affairs of Sixth Street or its related persons, some are third-party investors, including current or potential investors in Funds and/or Related Funds, who are not involved in the day-to-day operations of Sixth Street and its related persons. Similarly, we may permit third-party investors to hold direct or indirect, passive economic interests in other vehicles controlled by Sixth Street or its related persons, including entities we form to exercise our rights or discharge our obligations under the applicable

Governing Documents. Such vehicles may be used to fund Sixth Street's or its related persons' capital commitments to Funds and/or Related Funds, including the required minimum commitment as well as any additional commitments permitted following the end of the fundraising period. This practice may have the effect of reducing the amount of capital contributed by persons responsible for operating the Funds and/or Related Funds and lessening the alignment of interests between such persons and the investors in such Funds and/or Related Funds.

Conflicts Related to the Employee Retirement Income Security Act of 1974

A Fund and one or more other Funds or Related Funds may hold "plan assets" subject to 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 Fund may be prohibited from entering into certain transactions if the investment would violate ERISA with respect to such Fund or such other Funds 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 Fund, such other Funds or such Related Funds.

Conflicts Related to the Hiring of Asset Managers or Servicers

The general partner of a Fund will from time to time hire asset managers, servicers or other strategic counterparties (collectively, "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, loan and other asset servicing, accounting, operational or other services with respect to portfolio investments and/or potential 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. We have an incentive to retain Servicers in lieu of hiring additional personnel and rendering the same or similar services to the Funds since the costs of such services are generally expected to be borne by the Funds (without offsetting any advisory fees payable by the investors in the Funds) and/or, for example, because our ability to seek reimbursement from the Funds for Specialized Operational Services and in-house services may be limited and subject to relevant caps.

In the event one or more Servicers is providing services to multiple Funds, we will allocate such fees among these Funds in a manner we deem fair and equitable, in our sole discretion. Any base compensation paid to a Servicer may, as an initial matter, be allocated to the Funds or Related Funds we expect the Servicer to be providing services to, although the Servicer may ultimately provide more or all of his or her or its services to one or more other Funds or Related Funds. 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 Fund's Governing Documents, will require approval of the Fund's advisory committee. Our affiliates will benefit from these arrangements.

Funds and portfolio companies held by such Funds may utilize the services of additional Servicers, some of whom may be affiliated with us or portfolio companies of another Fund or Related Funds. To the extent any such Servicer receives fees from its clients, including a Fund or any of its portfolio companies, Sixth Street, its related persons other Funds and/or Related Funds may benefit through their ownership interest in such Servicer.

Conflicts Arising from the Exit of Certain Investments

The general partner, or its affiliates, from time to time may receive distributions in kind from an investment disposition. In the event the general partner, or its affiliates, receives 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 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 Fund, and the Fund and its investors.

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

The Governing Documents of each Fund and related documents are detailed agreements that establish complex arrangements among us, the limited partners, the Fund, the general partner and other entities and individuals. Questions arise 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. For example, the application of certain provisions, such as those regarding the distribution "waterfall," allocation of investment opportunities and designation of investments into different categories, tends to be particularly complex or require significant discretion. While we will construe the relevant agreements in good faith and in a manner consistent with our legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations we adopt will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

Conflicts Related to the Withholding of Certain Information

The Governing Documents of certain Funds generally permit each such Fund's general partner to withhold information from certain limited partners or investors in such Fund 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 Funds, 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 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 Fund 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 consider various factors, including:

- the broker-dealer’s reputation, experience and financial stability;
- the broker-dealer’s ability to maintain our anonymity;
- the broker-dealer’s ability to provide competitive pricing;
- the transaction’s size and timing;
- the broker-dealer’s 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 fair and reasonable fees for trades, and that the Funds 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.

A BD Affiliate may also, in some cases, act as a broker in transactions on behalf of Funds. However, a BD Affiliate will only serve as a broker-dealer in a transaction 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 Funds 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 from time to time will allow a brokerage commission or negotiated term in excess of that which another broker might have charged for effecting the same transaction.

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

A Fund’s securities and derivatives transactions are expected to generate commissions and other compensation to brokers, dealers and FCMs, all of which the Fund will be obligated to pay. We have complete discretion in deciding what brokers, dealers and FCMs the Fund will engage and in negotiating the rates of compensation. In addition to using brokers and FCMs as “agents” and paying commissions, a Fund may buy or sell securities or derivatives directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers. A broker, dealer or FCM is not excluded from receiving business because it has not been identified as providing research services.

Certain Funds will utilize the services of one or more prime brokers. The prime brokers the Funds utilize will clear (on the basis of payment against delivery) the Fund’s securities transactions, which may be effected through other brokerage firms. The prime brokers will generally act as custodians of the Fund’s securities, although in certain instances other brokers who execute transactions for the Fund will maintain custody of the Fund’s assets. Certain Funds will also utilize the services of one or more clearing FCMs, which may also serve as or be affiliated with the Fund’s prime broker(s). The clearing FCMs will clear the Fund’s futures and cleared swap transactions, which may be effected through other FCMs or bilaterally, and will act as custodians of the Fund’s

margin for its futures and cleared swap transactions. A Fund will generally not commit to continue its relationship with any particular prime broker or clearing FCM for any minimum period and we may select brokers and FCMs to act as prime brokers or clearing FCMs, respectively, to the Fund in its sole discretion.

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 Funds and Related Funds (a “cross-fund transaction”); however, they may be effected in rare instances and as described below with respect to CLOs. Such cross-fund transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or we might have an incentive to improve the performance of one Fund or Related Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, we

- may have significant investments, or intentions to invest, in the Fund or 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 investment).

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

Cross-fund transactions may be more common for CLOs than for other Funds. CLOs issue securities governed by an indenture, and each CLO’s indenture has highly specific investment portfolio criteria requirements. A CLO’s indenture includes, among other things, requirements relating to maturity profile of assets, industry concentrations, country concentrations, obligor concentrations, ratings profiles and “spread” or interest rates. In addition, a CLO’s indenture criteria is dynamic, meaning that the ideal portfolio composition may change with time due to asset maturities, prepayments, defaults, sales, purchases and other events that affect the composition of a CLO’s portfolio. Occasionally, one CLO may benefit from an asset sale or purchase through an improvement in its compliance with tests set forth in the CLO’s indenture while another CLO may similarly benefit from the corresponding purchase or sale of the same asset. Thus, we may authorize a cross-fund transaction where the transaction assists each CLO in complying with its indenture’s portfolio restrictions.

In the event that we do effect cross-fund transactions between Funds 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 Fund involved in the transaction; and
- in compliance with any investment guidelines or restrictions for these Funds.

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

ITEM 13 – REVIEW OF ACCOUNTS

Review of Accounts

The investment portfolios of the Funds are generally private, illiquid and long- and medium-term in nature; accordingly, our review of them is not directed toward a short-term decision to dispose of securities. However, we closely monitor the Funds’ investment portfolios. Our professionals continually review and analyze existing investment positions to attempt to identify issues early on and to take action when necessary. Our professionals meet periodically with members of our investment review committee to update them on such portfolio positions and related matters. Preliminary valuation analysis and recommendations will be performed by the investment team using available and appropriate external pricing feeds (with respect to the Fund’s actively traded investments). Ultimate approval for investment valuations will be provided by the Funds’

Valuation Committee, which is comprised of our professionals. Approved values generally will then be provided to the Fund’s administrator for computation of the Fund’s net asset value.

Reporting

We generally do not provide formal written reports to any Fund unless specifically requested by the general partner of the Fund. We generally report to investors in a Fund 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 companies held by Funds and/or the customers or suppliers of such portfolio companies.

ITEM 15 – CUSTODY

Not applicable.

ITEM 16 – INVESTMENT DISCRETION

Pursuant to the Advisory Agreement of each Fund and certain Co-Investment Vehicles, and subject to the direction and control of the general partner of such Fund or Co-Investment Vehicle, 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 Agreement and partnership agreement of such Fund or Co-Investment Vehicle.

Some Co-Investment Vehicles are established to invest alongside one or more Funds in one or more particular investment opportunities. Because a Co-Investment Vehicle 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 Funds. We have adopted and implemented policies and procedures reasonably designed to ensure that we vote proxies in the best interests of the Funds. In exercising our voting discretion, we seek to avoid any direct or indirect conflict of interest between the Funds 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, the costs associated

with voting such proxy outweigh the benefits to the applicable Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interest of the applicable Funds.

Funds generally cannot direct our vote.

TPG Compliance is responsible for monitoring proxy decisions for any actual or perceived conflicts of interests. When TPG Compliance deems it appropriate in its sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, TPG Compliance 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 Funds, we vote in a manner that we believe is consistent with the best interest of the Funds, 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 Funds. 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 Fund's request, will furnish proxy voting information, free of charge, to the requesting Fund within a reasonable period of time (usually within ten business days). Funds may request proxy voting information by contacting the Chief Compliance Officer at (817) 871-4000 or by writing to TPG Opportunities Partners, LLC, Attn: Chief Compliance Officer, at 301 Commerce St., Suite 3300, Fort Worth, Texas 76102.

ITEM 18 – FINANCIAL INFORMATION

Not applicable.