

# Sixth Street Advisers, LLC

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Part 2A of Form ADV: Firm Brochure  
May 29, 2020

**This brochure provides information about the qualifications and business practices of Sixth Street 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 Sixth Street Advisers, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://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 May 30, 2020 serves as an update to our brochure dated March 30, 2020. This brochure contains certain updates to reflect that (1) as of May 21, 2020 we have changed our name from TPG Opportunities Advisers, LLC to Sixth Street Advisers, LLC, (2) TPG Holdings II Sub, L.P. is no longer a principal owner of Sixth Street Advisers, LLC and (3) TPG Capital Advisors, LLC, TPG Global Advisors, LLC, TPG PEP Advisors, LLC, TPG RE Finance Trust Management, L.P., TPG Real Estate Advisors, LLC, and their respective relying advisers are no longer our affiliates or Related Advisers (as defined herein), and to provide further information with respect to our relationship with such advisers going forward.

In addition, this brochure contains certain other updates, including the following:

- to reflect the fact that on May 21, 2020 our broker-dealer affiliate, changed its name from TSSP BD, LLC to Sixth Street BD, LLC, and on May 28, 2020 our Related Adviser (as defined below) change its name from TSL Advisers, LLC to Sixth Street Specialty Lending Advisers, LLC;
- 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*”;
- additional and/or enhanced disclosures regarding payments of fees and expenses by advisory clients and portfolio investments 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.

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## **ITEM 4 – ADVISORY BUSINESS**

Sixth Street Partners (“Sixth Street”) is a global multi-asset class investment business with over \$33 billion in regulatory assets under management. Founded in 2009, Sixth Street has more than 275 team members including over 140 investment professionals operating from nine locations around the world. Sixth Street conducts its investment management business through its subsidiary, Sixth Street Advisers, LLC (the “Sixth Street 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 Sixth Street Specialty Lending Advisers, LLC (formerly known as TSL Advisers, LLC). Sixth Street Specialty Lending 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. files periodic reports with the SEC under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).<sup>1</sup> 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 Sixth Street 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:

- **Sixth Street Opportunities** is Sixth Street’s platform for pursuing actively managed global opportunistic credit and special situations investments in corporate- and real estate-backed investments. This strategy seeks to purchase or originate special situations investments across credit cycles with compelling risk-reward characteristics;<sup>2</sup>
- **Sixth Street Growth** seeks to generate attractive returns through the purchase or origination of downside-protected credit and equity investments in late-stage growth companies;<sup>3</sup>
- **Sixth Street 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;<sup>4</sup>
- **Sixth Street Agriculture** focuses on niche agricultural opportunities primarily in the U.S.;<sup>5</sup>
- **Specialty Lending:** Sixth Street’s Specialty Lending platform is comprised of:
  - **TPG Specialty Lending, Inc.** (“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 Sixth Street Specialty Lending Advisers, LLC, which, as noted above, files a separate Form ADV; and
  - **Sixth Street Specialty Lending Europe** focuses on European middle market loan origination investment opportunities;

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<sup>1</sup> TPG Specialty Lending, Inc. expects to change its name to Sixth Street Specialty Lending, Inc.

<sup>2</sup> Currently comprises the TSSP Opportunities Partners funds.

<sup>3</sup> Currently comprises the TCS Credit Solutions funds.

<sup>4</sup> Currently comprises the TSSP Adjacent Opportunities Partners funds.

<sup>5</sup> Currently comprises the TSSP Agriculture Partners funds.

- **Sixth Street Fundamental Strategies** seeks to generate attractive risk-adjusted returns across credit cycles primarily through the purchase of secondary stressed credit along with other special situations investments; and
- **Sixth Street Credit Market Strategies** is Sixth Street’s “public-side” investment platform that focuses on investment opportunities in the broadly syndicated loan, high yield and structured credit markets. This strategy sponsors collateralized loan obligations (“CLOs”) as well as certain private equity-style investment vehicles that invest predominantly in the CLO Equity (as defined below in “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*”) of the CLOs managed by Sixth Street or its affiliates (any such CLOs, “Sixth Street-managed CLOs”). Credit Market Strategies also manages “funds-of-one” and separately managed accounts (collectively, “SMAs”) that may pursue investment strategies substantially similar to, or different from, the Sixth Street-managed CLOs, including acquiring CLO liabilities, leveraged loans under rotational strategies, and other opportunistic investments in CLO Equity, leveraged loans, debt securities and other structured credit investments, and offering investors diversified portfolios of CLO liabilities and equity securities.<sup>6</sup>

For a further description of Sixth Street’s investment strategies and investment platforms, see “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*”.

*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 SMAs. We refer to such vehicles and accounts collectively as the “Funds.”

The Funds’ investors are generally “accredited investors” and “qualified purchasers,” or in the case of employees, “knowledgeable employees,” in each case as defined in the Securities Act and the Investment Company Act, as applicable, and may include, among others, both U.S. and non-U.S. high net worth individuals and family offices, public and private pension and profit sharing plans, including investors regulated under the U.S. Employee Retirement Income Security Act of 1976, as amended (“ERISA”), charitable organizations, endowments and foundations, insurance companies, investment companies, banks and other financial institutions, sovereign wealth funds, funds of funds, trusts and estates, corporations and thrift institutions.

Additionally, employees and other persons associated with Sixth Street and/or its affiliates and portfolio investments make capital commitments to the Funds (including through feeder vehicles formed for such purpose). We also serve as the sponsor of other 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 certain 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 and, in order to facilitate efficient execution of potential co-investment transactions, we have formed (and expect from time to time in the future to form) Co-Investment Vehicles to permit potential co-investments by an investor in one or more transactions (whether on an opportunistic or a systematic basis) should those

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<sup>6</sup> Currently comprises the TSSP Institutional Credit Partners funds (together with relevant CLOs and SMAs).

opportunities arise. 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 Sixth Street Adviser was formed as a Delaware limited liability company in 2011 and is part of Sixth Street. Sixth Street Advisers is wholly owned by Sixth Street Opportunities Advisers Holdings, LLC which under a series of subsidiaries is controlled by Special Situations GP, LLC.

*Related Advisers and Related Funds.* For purposes of this brochure, “Related Advisers” refers to Sixth Street Specialty Lending Advisers, LLC, as well as any other advisers that are or may in the future be affiliated with us. For purposes of this brochure, we refer to the funds and accounts managed by the Related Advisers as the “Related Funds.” See “*Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*” 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. Investment guidelines or restrictions 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 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*” 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 March 31, 2020, we managed on a discretionary basis a total of over \$33 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 (which in other contexts we commonly refer to as “management fees”). 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/or the method of calculation of, the advisory fees. In particular, advisory fees payable by the Funds are generally calculated (and may also apply different fee rates) based on one or a combination of different metrics, including a Fund’s capital commitments (or unused capital commitments), actively invested capital contributions, net assets or gross assets (inclusive of leverage), including on an unrealized basis, performance by reference to a specified benchmark rate (for example, a market index), as well as other metrics that we may agree with investors from time to time, and generally depend, in particular, on the strategy of the relevant Fund. However, these metrics nonetheless differ significantly across the Funds, including among Funds that pursue similar or overlapping strategies. In addition, the method of calculation of advisory fees generally vary during the term of the relevant Fund. Please see “*Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*” for a description certain conflicts of interest that may arise as a result of the different bases on which advisory fees are calculated across our Funds, and for a description of the side letter agreements or arrangements (including broader strategic relationships) that 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 advisory fees to the Funds and such fees paid by a Fund are indirectly borne by its investors. Such advisory fees may be funded by drawdowns under a Fund’s subscription credit facility, from capital calls from investors, or deducted directly from proceeds of a Fund otherwise distributable to investors, and are generally payable quarterly in advance. The terms applicable to the relevant Fund typically do not contemplate repayments of fees to the extent that our services terminate (or an investor withdraws or redeems its interests in such Fund) prior to the end of the relevant payment period, although the amount of any advisory fee may be prorated for periods of less than a full billing cycle at the beginning or end of our provision of investment advisory services. To the extent the base upon which an advisory fee is charged changes during the course of any relevant period (*e.g.*, due to an increase/reduction in actively invested capital or the net asset value of the Fund), we generally are not required to make any adjustment, true-up or refund except to the extent expressly required in a Fund’s Governing Documents. 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 Sixth Street-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 Sixth Street-managed CLO’s indenture.

Certain investors in a Fund, including, for example, the Fund’s general partner, its affiliates (including our employees) 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). In addition, certain Co-Investment Vehicles do not pay any advisory fees.

Please see “*Item 6 – Performance-Based Fees and Side-by-Side Management*” for information regarding performance-based compensation.

*Fund Expenses.* In addition to the 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 and all other documents attendant to a Fund's formation and organization, including the formation and organization of any general partner or management company entity or similar entity established in connection with the organization of a Fund;

- 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, including costs and expenses relating to in-house services;
- 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, developing, pursuing, negotiating and structuring investment opportunities (whether or not the investment is consummated) and making investments;
  - related to 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;
  - associated with the organization, operation, administration, restructuring or winding-up, dissolution and liquidation of any special purpose vehicles;
  - for drafting and negotiating agreements related to the making and financing of an investment, conducting due diligence and securing regulatory approvals;
  - associated with Independent Advisors (as defined below) for assessing secondary loan origination investments;
  - accountants, brokers, administrators, valuation firms and other professionals or service providers that provide due diligence and other services;
  - investment banks and related bank charges, placement, syndication and solicitation fees, arranger fees, sales commissions, investment, execution, closing and administrative fees, costs and expenses;
  - 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;
  - 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;
  - relating to the travel of our employees, including in connection with any specialized operational services and in-house services, including airfare (including, with respect to travel on non-commercial aircraft, costs of travel at comparable commercial airline rates), hotel, entertainment 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;
- relating to the Fund's borrowing or any portfolio leverage, 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;
- relating to conferences and other professional development activities for executives of companies in which a Fund holds a portfolio investment (including those we organize);
- of (and costs associated with monitoring) Servicers (as defined below) providing 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;
- 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 investment),
  - economists,
  - sourcing persons,
  - brokers,
  - intermediaries,
  - administrators,
  - valuation firms,
  - lawyers and legal professionals,
  - tax professionals,
  - accountants,
  - auditors, and
  - other professionals or service providers 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);
- 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, including any non-voting observer of the advisory committee, 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 investment 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, expense allocation, 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, the administration of Fund “waterfalls,” monitoring compliance with the Governing Documents, the administration of assets, financial planning and treasury activities, other reports and notices and any other operational, secretarial or postage expenses relating thereto or arising in connection with the distribution thereof);
- relating to administrative and accounting services (including investor information databases) and the preparation of financial reports and responses to reporting requests from, or reports delivered to, 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;
- relating to 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 notices, 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 implementation of, and compliance with, environmental, social, governance and other similar standards applicable to the Fund, its investments and potential investments, including any related requirements set forth in one or more side letters;
  - 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 (including fees, costs and other expenses related to arrangements with third-party service providers engaged in connection with the Funds' investments, operations or otherwise, including in connection with the Funds' non-U.S. portfolio investments);
  - 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 (including fees, costs and other expenses incurred by the Fund, partnership representative or designated individual acting in such capacity);
  - 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 (including as a result of the structure of the general partner's interest therein);
  - 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, and compliance with, or monitoring compliance with, the foregoing or 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 the Funds or their portfolio investments. These expense reimbursements are generally disclosed to investors.

The Funds may from time to time incur certain expenses which relate to an individual investor or a group of investors, including in relation to blocker entities formed for tax purposes, bespoke reporting or other specific requests relating

to the Funds. If we determine such expenses to be attributable to certain investors, such expenses may be specially allocated to such investors in a Fund and capital contributions or other payments or reimbursements in respect thereof may only be made by such investors.

The Funds' Governing Documents generally permit the Funds, subject to certain limitations, to (i) borrow to pay the expenses described above, (ii) pay these expenses by withholding distributions that would otherwise be made to limited partners or (iii) to reimburse Sixth Street for the payments of such expenses.

Some expenses, including organizational 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 – Brokerage Practices*" 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 providers) provided to such relevant Funds by us or an affiliate (including an allocable portion of personnel expenses (including annual compensation, bonus or other cash or profits interests, equity interests or other incentive-based compensation) and related overhead expenses (including benefits)) 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.

In addition, Sixth Street and/or its affiliates have long maintained offices in Luxembourg and certain other non-U.S. jurisdictions as an alternative to appointing third-party service providers in those jurisdictions. The dedicated team of professionals in those offices will perform, as applicable, certain critical local services in connection with the management of the Funds' non- U.S. portfolio investments, which may include structuring, administration, analysis and evaluation, which are expected to directly benefit the Funds and their investments. Sixth Street may enter into similar arrangements with entities or offices it establishes in the future in Luxembourg or other regions in order to facilitate the Funds' making and managing of portfolio investments in those regions. If these offices have sufficient substance in their respective jurisdictions, the Funds may be eligible for benefits under domestic laws, statutory exemptions or tax treaties entered into by such jurisdictions or otherwise be respected for purposes of various local tax laws. We believe it is to the benefit of investors if the capabilities of Sixth Street professionals in these jurisdictions are expanded and substance requirements in such jurisdictions are otherwise satisfied. Sixth Street expects that the costs associated with maintaining these foreign offices will be outweighed by tax and other cost-savings from their establishment. Certain of Funds will bear their proportionate share of the costs and expenses, including office rental expenses and salaries and other personnel expenses, associated with the maintenance of Sixth Street's Luxembourg and other foreign offices (or of Sixth Street's allocable share of such costs and expenses relating to the maintenance of offices in such jurisdictions), and the establishment and maintenance of other offices or arrangements, generally up to an annual cap as set forth in the relevant Governing Documents of the Funds.

Many of the same considerations described with respect to in-house services also apply to foreign office costs and services provided by professionals in the foreign offices of Sixth Street and its affiliates (and eligible to be charged to the Funds as foreign office costs) are expected to substantially overlap with services that may be eligible to be charged to the Funds as in-house services described above. Sixth Street will have significant discretion in determining whether the services provided by a particular professional in a foreign office (together with any allocable overhead and other costs or expenses) will be charged to certain of the Funds as in-house services and/or foreign office costs, and in many circumstances services will be eligible to be charged as either in-house services or foreign office costs. In any annual period, we may determine that it is appropriate to treat eligible services provided by professionals in the foreign offices of Sixth Street and its affiliates in part as in-house services and in part as foreign office costs. Although in-house services and foreign office costs eligible to be charged to the Funds are each typically subject to separate annual caps under applicable Governing Documents, our discretion in making such determinations, together with the overlap in services that may be eligible to be charged to a Fund under each cap, may result in overall services that could be categorized as foreign office costs being charged to a Fund in excess of any applicable cap on foreign office costs.

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 Investments.* 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' or committee fees;
- financial consulting fees;
- structuring fees;
- upfront fees;
- commitment fees;
- service fees;
- advisory fees;
- arranging fees;
- underwriting fees;
- syndication fees;
- origination fees;
- agency fees;
- amendment or consent fees;
- settlement fees;
- topping fees;
- closing fees;

- restructuring fees;
- origination fees or other service or non-service based 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 investment 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, one hundred percent of such fees will generally be retained by Sixth Street (whether received in cash or in kind and howsoever structured) and the portion of such fees allocable to advisory-fee-paying investors in the relevant Fund will offset the advisory fee allocable to such investors, as set forth in the Governing Documents of the applicable Fund. However, a Fund and its investors will, in most cases, only benefit with respect to such Fund's allocable portion of any such fee and not the portion of any fee allocable to another entity, including, if applicable, a Co-Investment Vehicle. In addition, as some Funds do not pay advisory fees (e.g., certain Co-Investment Vehicles) and certain investors do not bear advisory fees (including Sixth Street and its affiliates), we will retain fees for Related Services received in respect of such Funds (or any portion allocable to such investors) without reduction.

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 investments 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 investment (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 investment, 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 investment 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 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*" 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 company in which a Fund holds a portfolio investment 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 Sixth Street BD, LLC (the "BD Affiliate") (as described below – see "*Item 5 – Fees Received by the BD Affiliate*");

- 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 investments for Specialized Operational Services (as described below – see “*Item 11 – Providers of Specialized Operational Services*”);
- reimbursement payments from Funds in respect of in-house services (as described above);
- any amounts paid by a platform company to its management team (as described below – see “*Item 11 – Platform Companies*”);
- any amounts paid to Sixth Street and its affiliates that would otherwise constitute fees for Related Services but which are approved by the relevant Fund’s advisory committee; and
- certain fees that are treated other than as compensation for services for U.S. tax purposes, as determined by Sixth Street, are referred to as “Non-Service Based Fees”. Non-Service Based Fees received by (i) certain Funds, may be retained by those Funds and distributed to investors, or paid over to Sixth Street, or (ii) Sixth Street, may be paid over to certain Funds (and distributed to investors) or retained by Sixth Street, in each case at Sixth Street’s discretion. Non-Service Based Fees that are received and retained by the applicable Funds and distributed to investors, will not be treated as fees for Related Services under the applicable Governing Documents and will not offset advisory fees payable by the relevant Fund.

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 investments, 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 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 then, in each case, distributed to the partners of the Funds 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 Affiliate.* The BD Affiliate (as defined in “*Item 10 – Other Financial Industry Activities and Affiliations*”, below), which we describe below in Item 10, is a broker-dealer registered with the SEC and is a member of the Financial Industry Regulatory Authority (“FINRA”). The BD Affiliate receives fees, commissions and/or other



compensation in respect of the activities described below in “*Item 10 – Other Financial Industry Activities and Affiliations*”.

For a description of material conflicts of interest created by our relationships with the BD Affiliate, please see “*Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*” below.

## **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 or an incentive fee, 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 such Co-Investment Vehicle.

Carried interest or other incentive fees in particular are generally subject to preferred return hurdles, catch-up allocations, and/or claw-backs, and the terms and structures relating to incentive- or performance-based compensation applicable to different Funds and among CLOs, differ significantly (even among Funds pursuing a similar or overlapping strategies), and the same may be true of Funds or CLOs formed in the future. For example, certain Funds have or are expected to have carried interest or other incentive-based compensation structures that are based on increases in the value of fund assets (including both realized and unrealized value) and/or where entitlement to such compensation is dependent upon value exceeding a specified benchmark rate (for example, a market index) (even if the Fund does not realize an overall gain) or measured over one or more defined or limited periods.

There is also a reduced allocation of incentive- or performance-based compensation with respect to certain investors in certain Funds, including, for example, the Fund’s general partner, its affiliates (including our employees) and certain “friends of the firm.”

The variation of incentive- or performance-based compensation structures among Funds, and the allocation of carried interests or excess cash flow, as applicable, at different rates, or subject to different hurdle rates or to any other terms or structures that may be more favorable to Sixth Street or its affiliate, creates an incentive for us or our affiliates to disproportionately allocate time, services or functions to vehicles that allocate performance compensation or advisory fees, or do so at a higher rate (or subject to a lower hurdle rates or to any other term that may be more favorable to Sixth Street or its affiliates), or to allocate investment opportunities to such Funds. Since the amount of incentive- or performance-based compensation allocable to Sixth Street generally 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 compensation, 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 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*” 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 – Advisory Business*” above, Sixth Street conducts its investment activities primarily through its Opportunities, Growth, TAO, Agriculture, Specialty Lending, Fundamental Strategies and Credit Market Strategies investment platforms. The methods of analysis, investments strategies and risk of loss for each such investment platform (other than in respect of TSLX) and for the broader Sixth Street platform, are described below. However, the methods of analysis and investment strategies pursued by a particular Fund (including, in particular, any SMA) may be customized based on investor guidelines. As described in “*Item 4 – Advisory Business*” above, TSLX’s investment adviser, Sixth Street Specialty Lending 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 Sixth Street Opportunities***

Sixth Street Opportunities seeks opportunistic credit, special situations and distressed investments across the credit cycle, including in control-oriented, actively-managed credit investments, where Sixth Street seeks to add value with its operational and asset management capabilities, and expects to invest across three primary areas of focus.

#### ***Corporate Distressed-For-Control***

Corporate Distressed-for-Control investments are made in instruments with a high probability of converting into equity following a restructuring. These types of investments can be entered into via single name purchases or larger portfolio transactions. They often occur in instances where Sixth Street Opportunities can capitalize on structural and short-term volatility, for example in sectors being disrupted by new technologies, new regulations, or commodity cycles. In addition to seeking to purchase investments at discounts to intrinsic value, Sixth Street Opportunities seeks out situations where it believes we can enhance value creation by leading the restructuring process and improving operations post-restructuring.

#### ***Asset Special Situations***

Asset Special Situations involve the acquisition of non-performing, 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. Sixth Street Opportunities has actively pursued opportunities in varying geographies as financial stress has migrated across regions.

Historically, Sixth Street has purchased loan portfolios directly from commercial banks or financial institutions at discounts to current market values of the underlying assets. Sixth Street Opportunities believes that many of these financial institutions have not dedicated adequate staffing to service 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: (i) reliable non-performing loan servicing capabilities, (ii) direct sourcing channels into commercial banks, and (iii) 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 Sixth Street Opportunities 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***

Corporate Dislocations are highly structured, “new money” transactions with troubled companies or companies in dislocated sectors (*e.g.*, secured debt rescue financings). Sixth Street Opportunities seeks to be a solution provider to companies undergoing some type of distress or dislocation, or to companies confronted with an idiosyncratic issue. These are opportunities for Sixth Street Opportunities to find an

angle for creating attractively valued positions during periods of structural or short-term volatility. Dislocations may include, but are not limited to, excessive balance sheet leverage, lack of access to capital, company-specific operational problems, poor management, and structural changes in an industry caused by innovation, regulatory change, or other macroeconomic factors. Sixth Street Opportunities seeks to identify these areas of acute dislocation globally and across core sectors that will enable it to pursue investments from distressed sellers or be a provider of creative, structured solutions. By its nature, this opportunity set is difficult to define or predict, and will change over time. However, key characteristics of these dislocations include (i) structural changes in a sector that create a large unmet economic need, (ii) 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 (iii) complexity in accessing or analyzing the asset class.

### ***Methods of Analysis and Investment Strategies with Respect to Sixth Street Growth***

Sixth Street Growth expects to invest across three primary areas of focus.

#### ***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 Sixth Street Growth 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 Sixth Street TAO***

#### ***Adjacent Opportunities***

Some of the Funds managed and/or advised by Sixth Street TAO (the “Sixth Street TAO Funds”) invest in opportunities sourced across our platform that we believe offer attractive risk/reward characteristics and that are adjacent to the strategies of certain Funds, but do not fit the mandate of such Funds, due to factors that may include,

but are not limited to, a non-control orientation, duration, the nature of the transaction or other considerations. These “Adjacent Opportunities” are not limited to any particular strategy.

#### *Crossover Opportunities and Crossover Investments*

As part of its core investment strategy, Sixth Street TAO pursues “Crossover Opportunities” or “Crossover Investments,” whereby the Sixth Street TAO Funds will (i) co-invest alongside other Funds in deals that are originated by, or on behalf of, such other Funds, but where there is excess opportunity available for the Sixth Street TAO Funds and (ii) invest in opportunities of the type generally made by (but that are not suitable, in whole or in part for) such other Funds.

The Sixth Street 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 Sixth Street TAO finds attractive.

#### *Methods of Analysis and Investment with Respect to Sixth Street Agriculture*

Sixth Street Agriculture represents a continuation and expansion of the agriculture investing activities carried out historically by Sixth Street TAO. Relative to the investments carried out by Sixth Street TAO to date, which have involved transitional or operationally intensive characteristics, the Funds managed and/or advised by Sixth Street Agriculture (the “Sixth Street Agriculture Funds”) target agriculture investments with relatively lower operational risk, focused predominantly on generating strong stabilized cash yields on long duration assets.

#### *Methods of Analysis and Investment with Respect to Sixth Street Specialty Lending Europe*

Sixth Street Specialty Lending Europe 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 €1.5 billion. 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 Sixth Street Fundamental Strategies*

Sixth Street Fundamental Strategies represents a continuation and expansion of the secondary stressed and distressed credit carried out historically by Sixth Street TAO, Sixth Street Opportunities and other Related Funds, and Sixth Street Fundamental Strategies seeks to invest in the purchase of secondary stressed and distressed credit along with other special situations investments.

#### *Methods of Analysis and Investment with Respect to Sixth Street Credit Market Strategies*

Sixth Street Credit Market Strategies (i) sponsors CLOs as well as certain private equity style investment vehicles that invest predominantly in the CLO Equity of the Sixth Street-managed CLOs, and (ii) manages SMAs that may pursue investment strategies substantially similar to, or different from, the Sixth Street-managed CLOs, including acquiring CLO liabilities, leveraged loans under rotational strategies, and other opportunistic investments in CLO Equity, leveraged loans, debt securities and other structured credit investments, and offering investors diversified portfolios of CLO liabilities and equity securities.

In pursuing its investment strategy, Sixth Street Credit Market Strategies 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 Sixth Street-managed CLOs;
- the debt tranches of Sixth Street-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 Sixth Street-managed CLO;
- CLO Equity of CLOs not managed by Sixth Street Credit Market Strategies or its affiliates (“Third-Party CLOs”);
- the debt tranches of Third-Party CLOs; and
- loans, bonds, and other debt instruments.

Sixth Street Credit Market Strategies aims to construct diversified portfolios of leveraged loans for Sixth Street-managed CLOs, while working to mitigate credit risk through diligent credit underwriting and active monitoring of existing positions. In addition, the Sixth Street-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.

### ***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 (which may be a bank or other financial intermediary), it would assume the credit risk of the lender in addition to the borrower. Furthermore, such investments are subject to unique risks, including, without limitation:

- 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 their 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. This manner of involvement may require that all or a portion of the relevant entities be held through subsidiary entities of the relevant Funds, which may result in a higher tax burden with respect to those investments for some or all of the investors in those Funds. 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 an objective of the Funds, 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 investment, a loss with respect to any single portfolio investment could have a significant adverse effect on a Fund's returns. In addition, there is generally no restriction on the amount of capital that Funds may invest in any given time frame (such as a fiscal year) and, therefore, certain Funds may make a significant portion of their investments during one or more concentrated periods of time. This may further increase the exposure of certain Funds to particular short term macro-economic trends or other events that would otherwise have had less of an impact on certain Funds had the Funds invested their capital over a longer period of time.

Further, certain Funds engage in loan originations and may be forced to hold their excess interest in loans if they are unable to sell or assign participations in such loans, leading to over concentration in certain borrowers or issuers, and certain Funds are restricted from investing portions of their committed capital outside specified geographic regions and as a result may fail to achieve significant geographic diversification, and will therefore be particularly exposed to risks associated with investing in such geographic regions.

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 a portfolio investment 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, hedge 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 (including those with similar investment mandates or otherwise able to make investments of the type targeted by certain 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 recent increased volume of new issuances in the high yield market may also expand a potential borrower or issuer's access to capital, broadening the funding sources available to that company, and changes to laws or regulations applicable to commercial banks (e.g., a relaxation or repeal of the Volcker Rule) may increase the type and size of investments able to be made by affected entities and their affiliates, and each of these may increase the competition certain Funds may experience in accessing investment opportunities. In addition, potential borrowers or issuers may benefit from government stimulus and relief programs introduced in connection with the COVID-19 outbreak (see below under "*Impact of Public Health Epidemics*"). The amounts of capital made available through such programs may be significant and, due to the cost of capital for our Funds and target rates of return, also made on terms which are more favorable to potential borrowers or issuers than the terms which our Funds are able to offer. In each case, Funds may lose investment opportunities if they do not match competing pricing, terms and/or structures. If the Funds do match such pricing, terms and/or structures, 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 loans, debt instruments or other securities that do not entitle the Funds to voting rights (whether in respect of an underlying borrower’s or issuer’s equity or debt securities). 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 portfolio investment. If appropriate given the Fund’s ownership stake, the Fund may negotiate representation on the board of directors of a company in which it holds a portfolio investment 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 the underlying borrower or issuer of a portfolio investment 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 investment 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 investment, 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 company in which it holds a portfolio investment. 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 company in which it holds a portfolio investment, its other security holders, its creditors or governmental agencies, which may exceed the value of the Fund’s initial investment. 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 company in which it holds a portfolio investment could result in a Fund being characterized as a “trade or business” for purposes of controlled group liability under ERISA, and, in cases where a Fund has a significant ownership interest (generally 80% or more) in such company, there is a risk that the Fund and any company in which it holds a portfolio investment 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 the companies in which it holds portfolio investments 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 and therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the stability of the company and their ability to repay their debts;
- 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;
- 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; and
- that such companies may operate in a highly acquisitive market with frequent mergers and buy-outs and, (i) if a borrower or issuer of any portfolio investment is acquired or merged with another company prior to drawing a loan or other financing originated or otherwise committed by the Funds, the Funds will not realize their expected return and (ii) in many cases will seek to restructure or repay their debt investments or to repurchase or procure the sale of the Funds' equity ownership positions as part of an acquisition or merger transaction, which may result in a repayment of debt or other reduction of the Funds' investment in such issuer or borrower.

*Debt Securities and Private Debt Instruments.* Certain Funds invest in loans to, or 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, non-rated or lower credit quality debt than for investments in higher rated debt and there are generally no restrictions on the credit quality of the investments of certain Funds. 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 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 impact 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 include bonds, debentures, notes, preferred stock or other securities that may be converted into or exchanged for a specified amount of equity securities 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 subject to, among others, credit risk, the risk of shifts in the market price of the underlying securities and changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. For instance, adverse or unexpected shifts in interest rates, particularly near the

time when certain Funds aim to exit any investment in convertible securities, may affect the value of those Funds' investments. 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 equity securities. To the extent the value of the underlying equity securities 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 equity securities while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. The value of the underlying security may be volatile and may be impacted by a variety of business, industry, economic, legal and other factors, including factors over which certain Funds may have little or no control, any of which could adversely affect the value of certain Funds' investment in such convertible securities.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by certain Funds is called for redemption, certain Funds 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. Issuers may have an incentive to call convertible securities for redemption when conditions are not advantageous to certain Funds, including when the value of the underlying securities is relatively low. Such a redemption could have an adverse effect on certain Funds' ability to achieve their 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 (including 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 or insolvency 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 or insolvency court would not approve actions which may be contrary to the interests of a Fund. Furthermore, there are instances in which creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor or, are regarded as shareholders of the debtor. Generally, the duration of a bankruptcy or insolvency 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 or insolvency 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 in which certain Funds may invest 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 or insolvency 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 or insolvency 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 or insolvency case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy or insolvency 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 or insolvency 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.

*Lender Liability and Equitable Subordination.* In recent years, a number of jurisdictions in which certain Funds may invest have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively referred to as "lender liability". Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders.

In addition, in many jurisdictions (including those in which certain Funds may invest) 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 or otherwise repackage certain of its 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 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 (including its earnings and cash flows) 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, certain Funds are permitted to invest in structured finance vehicles, start-up platforms, operating joint ventures or similar arrangements, including such arrangements with asset managers, servicers or other strategic counterparties (collectively, “Servicers”), as well as in investments made with a view towards exercising or influencing control, or participating in a restructuring or similar special situations scenario. For example, certain Funds may acquire a minority interest in a blind pool investment vehicle with a view to obtaining a control position in such vehicle or one or more of its underlying assets. Further, certain Funds may invest into pools of claims or other assets sourced by Servicers or other partners who are engaged by the Funds for the purpose of identifying and pooling such claims or other assets.

Further, 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 (including auto loans and student loans), residential mortgages or litigation funding), or in sectors or geographies (for example, in healthcare, energy, agriculture or other critical industries or supply chains, or in developing economies or jurisdictions which are, or later become, affected by wars, natural disasters or other adverse events), 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 of 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.

*Representation of Multiple Borrowers.* The Funds may from time to time seek to engage with more than one potential borrower in a process to assess financing options (e.g., the Funds may work with competing buyers seeking to finance

a buyout or similar transaction in a competitive auction process). In such circumstances, Sixth Street may be required to establish various protocols and procedures, including potentially forming two or more teams of Sixth Street personnel dedicated to parallel investment processes and maintaining the confidentiality of competing borrower information. Such protocols and procedures may be costly or burdensome, and may limit or restrict the involvement of certain Sixth Street professionals in the Funds' investment that is ultimately consummated in circumstances in which their participation may have been materially beneficial to the Funds. In addition, failure by any Sixth Street professionals to comply with any applicable protocols or procedures, or to conduct themselves with respect to such transactions in a manner consistent with market and counterparty expectations, will expose the Funds and/or Sixth Street to significant business, reputational, legal and regulatory risk. Any such failure could prejudice the Funds' ability to participate in similar transactions in the future and could have a material adverse effect on the Funds.

*Risks Relating to the Term of Investments.* The Funds (including in particular certain Funds which do not have a fixed term), expect to make investments in certain portfolio investments with a view toward a long-term holding period including, without limitation, loans with long-term maturities, certain loans or other investments with significant grace periods, and other investments which are generally expected to generate returns over a significant period of time (including investments in agricultural and other land, energy or infrastructure investments and investments in healthcare or other long-term royalties) or which are non-marketable or illiquid (including assets acquired in connection with any loan or the enforcement of any security) and which may not have any realizable value for a significant period of time. As such, certain investments may need to be held for long periods of time prior to returning distributions to investors in any significant amount, and upon a dissolution of the Funds, would be especially difficult to realize, dispose of or liquidate quickly on advantageous terms without undue loss to investors or the disposition of which may otherwise be impracticable (and may need to be effected for less than the potential value of the relevant investment). In addition, the Funds may face other restrictions on their ability to liquidate an investment in an underlying borrower or issuer to the extent that they hold a significant portion of a company's equity or if it holds material non-public information regarding that company.

*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 or synthetic credit default 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 instrument 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 instrument 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 instrument. In the case of physical settlement, the synthetic instrument 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 instrument 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 instrument 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 instrument 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 instrument counterparties or the reference entities, and the synthetic instrument 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 instrument counterparty to provide publicly available information to a Fund of the occurrence of certain specified events. As a general rule, synthetic instrument 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 instrument (for example, losses on the reference portfolio in excess of a specified amount), a Fund or the synthetic instrument counterparty will have the right to terminate the synthetic instrument entered into by the synthetic security counterparty and the Fund. Such specified circumstances generally will include events of default under such synthetic instrument and other termination events, such as if certain payments to be made under the synthetic instrument are subject to the imposition of a withholding tax. As a rule, synthetic securities may be terminated by synthetic instrument counterparties if, among other things, a Fund fails to make a relevant payment under the synthetic instrument 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 instrument 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 is a synthetic instrument that 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 or debt obligations 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, or may purchase and sell structured CDS instruments that reference one or more underlying indexes, issuers or instruments. 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 the energy sector, which is 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, companies in which certain Funds hold portfolio investments may not be able to successfully develop and commercialize these products and technologies in order to recover investment made in their development.

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. 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 company in which a Fund invests.

*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 investment 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 investment 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 company in which the Funds hold a portfolio investment, 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 the ability of a company in which a Fund holds a portfolio investment 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.

*Insurance-Related Investments.* Certain Funds have invested and expect to continue to invest in the insurance sector, which may include acquisitions of insurance companies and businesses (or blocks of insurance businesses), and acquisitions of liability portfolios, each of which could require significant additional capital and skilled personnel.

We may experience challenges identifying, financing, consummating and integrating such acquisitions and transactions. While we have reviewed various opportunities and the Funds have successfully completed transactions in the past to facilitate the acquisition of insurance companies and liability portfolios, significant competition exists in the market for profitable insurance businesses. Such competition is likely to intensify as insurance businesses become more attractive targets. It is also possible that merger and acquisition transactions will become less frequent, which could also make it more difficult for the Funds or any company in which the Funds hold a portfolio investment (including any insurance-related platform company) to implement their respective growth strategies. Thus, in the future, we may not be able to find suitable opportunities that are available at attractive valuations, or at all. Even if we do find suitable opportunities, we may not be able to consummate the transactions on commercially acceptable terms.

In addition, the insurance sector is a highly regulated sector globally, and insurance operations in the United States, Europe and other jurisdictions are subject to a complex and extensive array of laws and regulations that are administered and enforced by a variety of insurance regulators, securities administrators, banking authorities and other regulators, and the failure to comply with these laws and regulations could subject the Funds and/or the companies in which they hold portfolio investments to administrative penalties imposed by a particular governmental or regulatory authority, unanticipated costs associated with remedying such failure or other claims, harm the reputation of the Funds and/or the companies in which they hold portfolio investments, or interrupt their operations, any of which could have a material and adverse effect on the Funds’ financial position, results of operations and cash flows. Relatedly, governmental and regulatory authorities worldwide have become increasingly interested in potential risks posed by the insurance industry as a whole, and to commercial and financial systems in general, including the role of alternative investors and owners (such as the Funds). While we cannot predict the exact nature, timing or scope of possible

governmental initiatives, there may be increased regulatory intervention in the insurance and financial services industry in the future, including with a particular focus on the role of investors such as the Funds.

Furthermore, each regulator retains the authority to license insurers in its jurisdiction and an insurer generally may not operate in a jurisdiction in which it is not licensed. The Funds' and the Funds' portfolio investments' ability to retain and maintain these licenses depends on their ability to meet the requirements established by each such regulator. Some of the factors influencing these requirements are out of our control. In addition, licensing regulations differ as to products and jurisdictions and may be subject to interpretation as to whether certain licenses are required with respect to the manner in which the Funds or the companies in which they hold portfolio investments may sell or service products in certain jurisdictions. The degree of complexity is heightened in the context of products that cover risks in multiple jurisdictions. If the factors discussed above adversely affect the Funds or the companies in which they hold portfolio investments or a regulator interprets a licensing requirement differently than we do and Sixth Street, the Funds and such companies are unable to meet the relevant requirements, they may not be able to obtain, or could lose, licenses to do business in certain jurisdictions; be subject to additional regulatory oversight; have their licenses suspended; be subject to rescission requests, fines, administrative penalties or payments to policyholders; or be subject to seizure of assets. Any such inability to obtain, loss or suspension of a license or an inability to be able to sell or service certain insurance products in one or more jurisdictions may negatively impact the reputation of Sixth Street, the Funds and/or the companies in which they hold portfolio investments in the insurance market and result in their inability to write new business, distribute funds or pursue our investment/overall business strategy, and may have a material adverse effect on their business, financial condition, results of operations, liquidity, cash flows and prospects.

*Additional Capital Requirements of Portfolio Investments; Platform Investments Generally.* Certain of the Funds' portfolio investments, especially those in a development or "platform" phase (a "Platform Portfolio Investment"), may require additional financing to satisfy their working capital requirements, business development needs or acquisition strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular Platform Portfolio Investment. Each such round of financing (whether from the Funds or other investors) is typically intended to provide a Platform Portfolio Investment with enough capital to reach the next major milestone or consummate a particular acquisition or investment. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Funds. The availability of capital is generally a function of capital market conditions that are beyond the control of the Funds or any Platform Portfolio Investment. In addition, the Funds may make additional investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Funds' proportionate ownership when a subsequent financing is planned, or to protect the Funds' investment when the performance of such Platform Portfolio Investment does not meet expectations. To the extent a Platform Portfolio Investment in which the Funds have invested receives additional funding in subsequent financings and the Funds do not participate in any such additional financing rounds or offerings, the Funds' interest in the Platform Portfolio Investment may be diluted or become functionally subordinated. There can be no assurance that the Funds' general partners or management companies or the Platform Portfolio Investments themselves will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. The Funds may be called upon to provide follow-on funding for their investments or have the opportunity to increase their investment in a Platform Portfolio Investment. There can be no assurance that the Funds will want to make follow-on investments or that they will have sufficient funds or the ability to do so. Any decision by the Funds not to make a follow-on investment or their inability to make it may have a substantial negative impact on a Platform Portfolio Investment in need of such an investment or may diminish the Funds' abilities to influence its future development. Conversely, such funding may be required or committed as part of the relevant Fund's initial investment. In such circumstances, any follow-on funding would generally not be considered a "follow-on investment," (and subject to any limitations thereon in the Governing Documents of the relevant Fund) and accordingly may result in investors being required to contribute significant amounts of capital to a Fund in respect of such investments after the termination of their commitment period or in circumstances where, absent the requirements or commitments binding the Fund, we may have concluded that funding such amounts would not have been in the best interests of the Fund at the relevant time.

From time to time, the Funds may recruit a management team to pursue a new "platform" opportunity expected to lead to the formation of a Platform Portfolio Investment. In other cases, the Funds may acquire a portfolio investment and recruit a management team to build a Platform Portfolio Investment through acquisitions and organic growth. In both cases the Funds will bear the expenses of the management team or Platform Portfolio Investment, as the case

may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the Platform Portfolio Investment. Such expenses may be borne directly by the Funds as Fund expenses or indirectly as the Funds bear the start-up and ongoing expenses of the newly formed Platform Portfolio Investment. In certain cases the services provided by a management team may overlap with the services provided by Sixth Street and its affiliates to the Funds. The compensation of management of a Platform Portfolio Investment may include interests in the profits of the Platform Portfolio Investment, including profits realized in connection with the disposition of an asset. Although a Platform Portfolio Investment may be controlled by the Funds, members of a management team will not be treated as affiliates of the Funds' general partners. Accordingly, none of the expenses described above will offset the Funds' management fees.

*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 borrowers 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 underlying borrower or issuer 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 and would also be expected to negatively impact returns. In some cases originated loans may be held through alternative investment structures that may result in 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 management firms, financial institutions, hedge funds, 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. The tax reform bill known as the Tax Cuts & Jobs Act (the "TCJA") increased the holding period required in order for professionals to treat carried interest as capital gain (to the extent the carried interest would otherwise be so treated absent the holding period requirement). Although the character of the carried interest attributable to a Fund may in large part be treated as ordinary income regardless of the holding period requirement, in some cases the holding period requirements may be relevant and therefore 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. Additionally, should any of these professionals join or form a competing firm, become incapacitated or in some other way cease to participate in investment activities of the Funds, their performance could be adversely affected.

*Reliance on Management of Portfolio Investments.* 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 investment 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 investment 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 companies in which it makes portfolio investments, the Fund may not be able to dispose of their investments in the event that they disagree with the actions of a portfolio investment, 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 companies in which a Fund holds a portfolio investment 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 investment. 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. Certain Funds will be subject to material regulatory restrictions relating to the sourcing of investments, including in relation to the marketing or solicitation of loan originations to potential borrowers in certain jurisdictions.

*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. Publicly traded securities are subject to risks that differ in type and degree from those involved in privately held investments. The Funds' ability to dispose of such investments may be limited. For example, the ability to dispose of an investment in the public markets will depend upon favorable market conditions, which may be unrelated to the performance of such investment. There can be no assurance that the Funds will be able to dispose of their investments at the price and at the time they wish to do so. 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.

Furthermore, there is an ongoing project (Base Erosion and Profit Shifting, or "BEPS") among G-20 countries to develop rules to align international tax standards and ensure that income is subject to tax at least once. A set of recommendations was released in 2015 (some of which are subject to further recommendations from the working parties), but ultimately any such recommendations would have to be implemented through domestic legislation or via bilateral tax treaties. Similar types of measures not formally connected through the BEPS reports may also be introduced at the level of individual countries or through multilateral groups such as ATAD 2 (as defined below). The Tax Act included rules similar to some of the recommendations of the BEPS reports (e.g., restrictions on payments to offshore affiliates). More recently, the EU Council approved Directive 2017/952/EU ("ATAD 2"), which includes rules similar to some of the recommendations of the BEPS reports (e.g., denying various deductions and benefits in the case of certain hybrid instruments or arrangements).

The details and scope of any operative rules (including when and whether issued) are therefore unclear, but it is possible that they may increase the amount of taxes borne by investors in the Funds, including by denying the availability of treaty benefits for a Fund and its investors and/or by increasing taxes payable by or with respect to (e.g., by increasing withholding taxes) portfolio investments. In addition, any such rules may require the Funds to collect additional information from the investors (and report it to tax authorities).

*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. Certain jurisdictions have proposed modernizing financial regulations and have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, private investment funds. Such scrutiny may increase the Funds, their general partners' and their management companies' exposure to potential liabilities and to legal, compliance and other related costs. There is also a material risk that regulatory agencies may



adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the alternative asset management industry, or other changes that could adversely affect alternative asset management firms and the funds they sponsor, including the Funds. Increased regulatory oversight may impose administrative burdens on the general partners and management companies of the Funds, including, without limitation, responding to investigations and implementing new policies and procedures. Finally, increased reporting, registration and compliance requirements may divert the attention, time and resources of our and /or portfolio investments' personnel and the management teams, and may place the Funds at a competitive disadvantage to the extent that we or portfolio investments are required to disclose sensitive business information.

The implementation of the U.S. Dodd Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Pursuant to the Dodd-Frank Act, the SEC has adopted rules that require additional reporting by registered investment advisers to private funds, which have added to the costs we incur to comply with 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 noninvestment-related activities.

The Dodd-Frank Act currently affects a broad range of financial market intermediaries and other market participants with whom the Funds interacts 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 the Funds and their general partners and management companies, and such continued uncertainty may increase volatility, making it increasingly difficult for us to execute the Funds' investment strategy, and may otherwise negatively impact the operations, cash flows or financial condition of, or impose additional costs on and intensify the regulatory supervision of, the Funds.

The alternative asset management and financial services industries are further subject to a number of legislative initiatives under the Dodd-Frank Act, a key feature of which is the potential extension of prudential regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") to non-bank financial companies that are not currently subject to such regulation but that are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a "nonbank financial company" as a company that is predominantly engaged in activities that are financial in nature. The Financial Stability Oversight Council (the "FSOC"), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to regulation by the Federal Reserve Board (including capital, leverage and liquidity requirements) if the FSOC determines that such company is systemically important in that it poses a risk to the U.S. financial system. The Dodd-Frank Act does not contain any minimum size requirements for such a determination by the FSOC, and it is possible that it could be applied to private funds, particularly large, highly leveraged funds.

In addition, the current regulatory environment in the United States may be impacted as a result of United States political developments and events. In particular, any changes in the composition of the United States government resulting from the 2020 presidential and congressional elections could result in significant changes in approach regarding various legal and regulatory regimes and policies (such as environmental regulations, privacy protection laws, regulations designed to protect employees, customers and other company stakeholders and limited liability laws). The outcome of any such elections and the potential effects of any such changes on the Funds cannot be predicted and may adversely impact the Funds and/or their portfolio investments.

Furthermore, various federal, state and local agencies have been examining the role of placement agents, finders and other similar service providers in the context of investment by public pension plans and other similar entities, including investigations and requests for information, and in connection therewith, new and/or proposed rules and regulations in this arena may increase the possibility that the management companies and general partners of the Funds and their affiliates may be exposed to claims and/or actions that could require an investor to withdraw from the Funds. Relatedly, the management company or the general partner of a Fund may be required to provide certain information regarding some of the investors to regulatory agencies and bodies in order to comply with applicable laws and regulations including the U.S. Foreign Corrupt Practices Act and the U.S. Freedom of Information Act ("FOIA").

It is difficult to determine what impact, if any, any increased regulatory scrutiny or initiatives, will have on the private investment fund industry generally or on us and the Funds, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on us or otherwise impede the Funds' activities, including the ability of the Funds to effect operating improvements or restructurings of an investment or otherwise achieve their objectives, and 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.

In addition, as private fund managers and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private fund industry has recently been subject to criticism by some politicians, regulators, interest groups and market commentators and the media more generally. The recent negative perception of the private fund industry amongst these groups and in certain countries could make it harder for the Funds to successfully bid for and complete investments, and to the extent that Sixth Street or any of the Funds are subject to particular focus or scrutiny we may take or omit to take certain actions or alter our behavior in response to such scrutiny, which may have an adverse impact on our business and the Funds.

The implementation of the European Union's AIFM Directive (and any amendments thereto, including pursuant to the CBDF 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 depositary. Compliance with these requirements will result in additional costs to the applicable Fund, reducing the returns for investors. The need to comply with any such registration requirements has the potential to delay the fundraising process, thereby reducing the speed with which 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 company in which it holds a portfolio investment in an EEA Member State. These requirements include making certain notifications and disclosures where a Fund acquires or disposes of shares in an EEA company in which it holds a portfolio investment. 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 company in which it holds a portfolio investment. These requirements and restrictions could limit the use of certain investment and realization strategies, such as dividend recapitalization and reorganizations. These requirements and restrictions could also place a Fund, its general partner and 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.

*Environmental, Social and Governance (“ESG”) Considerations and Reporting.* Although Sixth Street does not currently manage any funds or accounts dedicated to ESG or impact investing, Sixth Street nonetheless seeks to cultivate a culture of responsible stewardship of capital and is subject to increasing focus by both regulators and investors on ESG matters, including as a result of recent laws and regulations applicable to our investors which impose certain disclosure obligations on Sixth Street and the Funds.

We have adopted a responsible investment policy under which we assess ESG matters together with financial criteria when making investments and have developed procedures applicable to transaction underwriting and monitoring which are aligned with the United Nations-supported Principles for Responsible Investment, however both Sixth Street's and the wider alternative investment industry's approach to ESG matters is relatively new and still evolving and accordingly we may face unforeseen difficulties in implementing our policy or effectively measuring the success of our efforts.

In particular, for certain Funds, we intend to provide periodic reports to investors on ESG matters, including ESG performance of the relevant Fund's portfolio investments. This reporting will result in us incurring costs (which may be significant) which will be borne by the Funds and investors, and will depend in whole or in part on the complete, timely and accurate reporting from portfolio investments to Sixth Street. While Sixth Street intends to exert appropriate influence under the circumstances to ensure receipt of complete, timely and accurate reports from portfolio investments, Sixth Street does not expect to be able to do so in all cases (including, in particular, in relation to our credit-focused investment strategies where we expect to make investments in which we have no control or limited influence over underlying issuers or borrowers).

To the extent that investors require us, when evaluating potential investment opportunities, to consider or place material or particular emphasis on ESG-related matters or an investment's potential to achieve a positive social or environmental impact, we may be influenced (even though not required) to consider an opportunity set for potential investments that is smaller than it would otherwise be absent such considerations (e.g., if seeking to make investments solely on the basis of financial returns), and we may forgo opportunities that are attractive from a financial perspective as a result of such considerations. In addition, although Sixth Street believes that ESG factors have the potential to affect performance, and can in certain circumstances enhance a portfolio investment's profitability or financial returns, it is possible that our or a portfolio investment's dual focus on financial success and ESG matters will from time to time influence or require us or the portfolio investment to make decisions that favor one goal at the expense of the other.

Finally, the SEC has examined the methodology used by investment funds pursuing impact or ESG investment strategies for determining socially responsible investments, and EU legislators are adopting new rules to standardize the definition of environmentally sustainable investing. If we fail to take appropriate measures or follow best practices, regulators disagree with the procedures or standards used by Sixth Street, our Funds or portfolio investments for ESG investing and reporting, or new or amended regulation or legislation requires a methodology of measuring or disclosing ESG impact or related matters that is different from our current practice, we may be in breach of applicable ESG-related laws and regulations and Sixth Street may suffer reputational damage and the Funds could be adversely affected (including as a result of fines and other financial losses incurred by portfolio investments).

*ERISA Considerations.* Investment in the Funds is generally open to institutions including pension plans and other entities subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or Section 4975 of

the U.S. Internal Revenue Code of 1986, as amended (the “Code”), although investment by such entities will generally be limited. We generally intend to operate the Funds so that the assets of the Funds will not be considered “plan assets” under ERISA. In furtherance of this objective, we endeavour to limit investments by “Benefit Plan Investors” (as defined in ERISA) to less than 25% of the value of each class of equity in each Fund so that investment by Benefit Plan Investors will not be considered “significant” within the meaning of the Department of Labor Regulation at 29 CFR 2510.3-101, as modified by Section 3(42) of ERISA (the “Plan Asset Provisions”). Accordingly, we may prohibit certain potential investors from investing or certain transfers of interests so as to avoid the assets of a Fund being deemed to be “plan assets” within the meaning of ERISA.

In addition, with respect to certain Funds (e.g., the Sixth Street TAO Funds and the Sixth Street Agriculture Funds), whose investors may terminate unused commitments, and new investors may be admitted, on an ongoing basis, the monitoring of investments by Benefit Plan Investors is subject to special considerations and is particularly complex. In respect of these Funds, the unused capital commitments or capital contributions of Benefit Plan Investors may be automatically reduced or increased to ensure that certain thresholds are met at any time.

Any expenses relating to the Funds’ activities or operations including compliance with the Plan Asset Provisions will be borne by the Funds. Costs relating to compliance (or monitoring compliance) of the Funds with the Plan Asset Provisions and the provisions of the applicable Governing Documents that relate to the participation of Benefit Plan Partners in the Funds (and their portfolio investments) will depend on a number of factors, including the number of, capital commitments made by, and timing of commitment period terminations (where applicable) delivered by, Benefit Plan Partners, and may be significant. The general partner of a Fund may test the participation of Benefit Plan Investors separately in respect of each investment of a Fund (in addition to testing such participation on a Fund level basis). Such separate investment-level tests are expected to be more costly than tests solely on a Fund-level basis.

The ability of the general partner of a Fund to limit the participation of Benefit Plan Investors to less than 25% of the value of each class of equity interests in a Fund will be subject to operational risks arising from such factors as processing errors, human errors, inadequate or failed internal or external process, failures in systems and technology, changes in personnel and errors caused by third parties. While we seek to minimize such events through controls and oversight, the Funds’ terms and structure are complex and there may still be failures that could increase the risk of, or cause, noncompliance with the Plan Asset Provisions and ultimately losses to one or more Funds and/or to individual investors.

*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 investments 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 and/or Co-Investment Vehicles 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 or Co-Investment 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, investors may be called upon to fund their entire commitment to repay indebtedness (including with respect to management fees), 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 and, from time to

time, with respect to other investment-related obligations where one Fund faces a third party. The Funds intend, where appropriate, to enter into back-to-back agreements with such other parties in respect of any such credit support.

*Structure of Fund-Level Borrowing.* As described below, the Funds typically utilize fund-level indebtedness, the terms of which credit facilities will generally allow revolving borrowings up to a specified principal amount that will be determined based in part on the relevant Fund's aggregate capital commitments, the creditworthiness of investors, the dispersion of the creditworthy investors, and the exercise of the lender's discretion. In particular, lenders may provide the Funds varying levels of credit, or no credit at all, for different investors (including, increasingly, as a result of certain investors asserting legal or policy limitations or sovereign immunity concerns that prevent them providing sufficient information to lenders or otherwise honoring capital contributions to a lender), but all investors would participate in the benefits and risks associated with the credit facility's use as described herein. In the event that lenders provide limited or no credit to a significant number of investors (or investors accounting for a significant proportion of the capital commitments to the relevant Fund), the Fund may not have access to any leverage at all and, therefore, the Fund may not achieve the same rates of returns or access the same investments, and we may not be able to manage the Fund's cash flows in the same manner, as we would have done had leverage been available.

*Non-U.S. Investments.* The Funds make investments outside of the United States, including in certain developing foreign markets. Investments in the debt or securities of foreign issuers may be restricted or controlled to varying degrees. These investments require consideration of certain risks typically not associated with investing in U.S. loans, 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 certain 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 and/or companies in which the Funds hold portfolio investments may 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 investments, including non-performing loans, and may be required to indemnify such service providers and/or depositors for liabilities incurred in connection with such transactions or arrangements.

*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 investors. 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 against any such potential disclosure, withhold all or any part of the information we would otherwise provide to 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.

*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 trustee services, collateral administration, 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 investment 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*”), other wide-scale disruptions to business (including those highlighted below under “*Impact of Public Health Epidemics*”), changes in personnel and errors caused by third parties or resulting from our failure to adequately monitor third parties (including in connection with the transitional services provided by TPG under the TSA (as discussed in further detail below in “*Item 11 - Conflicts Relating to Relationships with Non-Affiliated Entities/Joint Ventures*”). While we seek to minimize these events through controls and oversight, our operations, and the Funds’ terms and structure, are complex and there may still be failures that could cause losses to a Fund. In particular following the May 2020 Transaction (as described detail below in “*Item 11 - Conflicts Relating to Relationships with Non-Affiliated Entities/Joint Ventures*”), Sixth Street has assumed exclusive responsibility for certain operations, systems and processes which were previously provided by TPG (and will continue to assume responsibility for additional matters as transitional services cease to be provided by TPG under the TSA). In order to successfully execute relevant operations, systems and processes and effect necessary improvements or additions to our existing systems, where necessary, we are highly dependent on the skill and ability of our “Federation” and other professionals and there can be no assurance that we will be able to successfully implement such operations, systems and processes and/or identify and implement any required improvements or additions.

In addition, the structure and the terms of the Governing Documents of the Funds are complex and present us with novel operational challenges. The complexity and distinctiveness of the Governing Documents of certain 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 their 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 (including, as a result of the TSA, TPG). 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.

*Disaffiliation from TPG.* The May 2020 Transaction relating to our disaffiliation from TPG (as described detail below in “*Item 11 - Conflicts Relating to Relationships with Non-Affiliated Entities/Joint Ventures*”) could have an adverse effect on Sixth Street’s business in certain respects, including because our investors or business partners may view our business differently as a result of the change, our reliance on the TSA (as defined below) to provide certain services, and our transition to relying exclusively on Sixth Street to provide such services (as described above). These risks may include that following our disaffiliation from TPG:

- we may be required to negotiate different service terms, or seek relationship with new service providers, on terms less favorable than those previously available to us (including as a result of previously having had access to leveraged procurement programs operated by TPG);
- although Sixth Street believes it has as strong reputation in the marketplace, banks and other financing providers may perceive Sixth Street and the Funds as less creditworthy and may impose higher financing

costs or other unfavorable terms that would have an adverse impact on the Funds, their portfolio investments and investors; and

- as a provider of transitional services under the TSA, TPG's interests may not be fully aligned with our own (as TPG will, following our disaffiliation, be our competitor), and although subject to customary confidentiality obligations and notwithstanding the information barrier put in place, TPG may obtain sensitive and confidential information regarding Sixth Street and our clients (including the Funds and their 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, including, in connection with the provision of certain information technology services under the TSA, TPG. 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 companies in which the Funds hold a portfolio investment 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 investment'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.

*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.

Sixth Street, the Funds and/or our service providers and certain of the Funds’ portfolio investments (each a “Data Controller”) may each receive, store, process and use personal data. The European Union General Data Protection Regulation (“GDPR”) entered into force on 25 May 2018. It applies to (i) organizations that process the personal data of data subjects (natural persons) located in the European Economic Area (and will continue to apply in the United Kingdom after the United Kingdom leaves the European Union) and (ii) organizations outside the EEA that offer goods or services to data subjects in the EEA, or that monitor the behavior of EU data subjects. Personal data is information that can be used to identify a natural person, including a name, a photo, an email address, or a computer IP address. The GDPR provides greater protection for personal data and provides greater penalties for noncompliance. Certain violations of the GDPR may result in administrative fines up to €20,000,000, or in the case of an undertaking, up to 4 percent of the total worldwide annual turnover of the preceding financial year, whichever is higher. To the extent any Data Controller is subject to the GDPR, any failure to comply with its privacy and data protection related obligations may result in significant liability, which could also have an adverse effect on the reputation of that party and its business, thereby potentially having an adverse effect on investors in the Funds. The costs of compliance with, and other burdens imposed by, the GDPR and other applicable data protection laws will be borne (whether directly or indirectly) by the Funds and may, therefore, affect any returns which that would otherwise be received by investors in the Funds.

Any inability, or perceived inability, to adequately address privacy and data protection concerns, or comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations, even if unfounded, could result in additional cost and liability (including the event of fines or damages due to noncompliance with such data privacy laws) and could damage Sixth Street’s reputation and adversely affect the Fund.

*Environmental Matters.* The ordinary operation of, or the occurrence of an accident with respect to, a portfolio investment asset could cause major environmental damage, which may result in significant financial distress to such asset or portfolio investment 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 investment 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 investment, or could

otherwise place a portfolio investment at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on a portfolio investment.

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 investments 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 investments 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 investments. If a Fund or its portfolio investments were to violate any such laws or regulations, such the Fund or portfolio investment 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 investment 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 investment. 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 investment 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 investments. As such, a violation of the FCPA or other applicable regulations by a Fund or its portfolio investment 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, other central banks of the countries in which the Funds invest 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 a portfolio investment, a Fund may be required to make representations about the business and financial affairs of a 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.

*Impact of Public Health Epidemics.* A public health crisis, including the outbreak of an infectious disease such as the current global pandemic linked to the novel coronavirus ("COVID-19"), may materially adversely impact the global economy and may cause or contribute to significant volatility or other adverse events in the financial market. For example, the current COVID-19 pandemic is significantly disrupting economic activity globally. This pandemic has already played a part in periods of extreme uncertainty, market volatility and negative stock price movements. The governments of the United States and many other countries have taken drastic measures intended to slow the spread of the pandemic and to counter the disruption to economic activity that is resulting from both the pandemic and actions intended to slow the pandemic. In addition, the Federal Reserve and other central banks have made rare or unprecedented interventions in the financial markets intended to limit the economic impact of the pandemic and to ensure that financial markets continue to function during this period of significant stress. In recognition of the significant threat to the liquidity of financial markets posed by COVID-19, the United States Congress has also taken significant actions to provide liquidity to business in the U.S. For example, on March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), a stimulus bill intended to bolster the U.S. economy, among other things, and provide emergency assistance to qualifying businesses and individuals. There can be no assurance that these interventions by the government will be successful, and if not, the financial markets may experience significant contractions in available liquidity. Moreover, it is uncertain at this point how the CARES Act and future similar interventions will impact any individual business or industry. Our ability to effectively underwrite the risk related to portfolio investments may be significantly and adversely affected by such uncertainty. All of these conditions may continue or worsen and may adversely affect the value and liquidity of the investments of the Funds the performance of companies in which Funds hold portfolio investments generally.

Public health crises such as the outbreak of COVID-19 can develop rapidly and unpredictably, which may prevent governments, companies or others (including Sixth Street and the Funds) from taking timely or effective steps to mitigate or reduce the short-term or long-term adverse impacts caused or contributed to by the crises, and lead to material uncertainty and risk with respect investments generally, including an investment in the Funds.



Market disruptions in a single country could cause a worsening of conditions on a regional and even a global level. Any or all of a global supply chain shortage or disruption, a slowdown or temporary suspension of business activities (including a slowdown or suspension of operations by regulatory or antitrust authorities), border closures and other restrictions on travel or quarantines imposed in response to a public health crisis or a perceived public health crisis (or other measures implemented by governments or health organizations, including “work from home” requirements), all of which have already occurred in connection with the COVID-19 outbreak, could have or contribute to significant social unrest and a material negative impact on the economy and business and investment activity in any of the countries, regions, industries or sectors in which the Funds may invest, as well as the global economy, and thereby adversely affect the performance of the Funds and the Funds’ investments, including the Funds’ ability to source and/or execute investments.

In particular, the financial results of the Funds’ investments may be negatively impacted in a material way as a result of the COVID-19 pandemic or another public health crisis (both as a result of market and economic conditions generally and as a result of particular issues affecting such persons or their industries) and affect their ability to service debt obligations or meet debt covenants.

The COVID-19 outbreak or the outbreak of another infectious disease or other public health crisis could also have a material adverse effect on the Funds’ business prospects, financial condition and operations as a result of the inability of the Sixth Street employees and/or third party service providers and other counterparties to render adequate services (including monitoring or managing existing portfolio investments, and sourcing or executing new investments), to or otherwise fully support the administration and operation, of the Funds and its investments, potentially for an extended period of time.

In addition, in response to the spread of COVID-19, many businesses, including Sixth Street, have encouraged or mandated that their personnel work from home in an effort to help slow the spread of the pandemic, and such circumstances are expected to persist for a significant period of time. To the extent personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, our business will be more vulnerable to cybersecurity incidents and cyberattacks, and other weaknesses in our operational and control environment, and could have more difficulty resuming normal operations in the event it is the target of such incident or attack, or otherwise suffers a breakdown of operations or control. See “*Cybersecurity Risk*” and “*Risk Management; Operational Controls*” above for an additional discussion of cybersecurity and operational risks.

The extent to which COVID-19 will impact Sixth Street’s and the Fund’ operations will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak by governments in the U.S., Europe, China and elsewhere (and the effectiveness of those actions).

*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.

*Expedited Transactions.* Investment analyses and decisions by the general partner of a Fund may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities, in particular in times of significant market stress or dislocation (in which environments certain of the Funds expect to invest significant amounts of their assets). In such cases, the information available to us at the time of making an investment decision in relation to a Fund may be limited, and we may not have access to detailed information regarding investments. Therefore, no assurance can be given that we will have knowledge of all circumstances that may adversely affect an investment at the time the investment decision is made, and the Funds may make investments which it would not have made if more extensive due diligence had been undertaken.

*Litigation on Acquisition and Disposition of Investments.* Litigation may be commenced with respect to an investment, including in particular property, acquired by the Funds in relation to activities that took place prior to the Funds' acquisition of such investment, or in relation to the prior owner of the investment.

In connection with the disposition of an investment, the Funds may be required to make representations about the business, financial affairs and other aspects of such investment, such as regulatory matters, intellectual property, tax liabilities, insurance coverage and litigation. The Funds also may be required to indemnify counterparties for losses related to the inaccuracy of any representations and warranties and other agreed upon liabilities. Counterparties may sue the Funds under various theories, including breach of contract and tort, for losses they suffer. The Funds may book contingent liabilities on their financial statements, or create cash reserves or escrow accounts, at the time of sale to account for any potential liabilities, but these may be insufficient. If any cash reserves are insufficient to cover realized losses, the Funds' investors may be required to return amounts distributed to them from the Funds to cover liabilities. In addition, at the time of disposition of an individual investment, a potential counterparty that does not win the auction held by or on behalf of the Funds may claim that it should have been afforded the opportunity to purchase the investment or alternatively that such potential counterparty should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosure made.

## **ITEM 9 – DISCIPLINARY INFORMATION**

Not applicable.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The BD Affiliate is a broker-dealer registered with the SEC and a member of FINRA. In terms of its operations, the BD Affiliate

- places securities and instruments issued by
  - certain private investment funds that we and our related entities manage individually or through our principals, including the Funds; and
  - other entities not related to us or our related entities (which may include third-party investment funds with the same or similar investment mandate as, or otherwise in competition with, the Funds) or investment funds in, or with, which we or the Funds may invest or that are sponsored by companies in which we or the Funds have invested; and
- participates in the syndication of opportunities to co-invest in portfolio investments alongside certain Funds and/or Related Funds, and third parties.

In addition, in the event the BD Affiliate were to expand the scope of activities permitted by its existing license, it may in the future engage in other activities, including transactions involving the Funds' portfolio investments (including, for example, as an underwriter in primary and secondary offerings by portfolio investments, acting as an arranger in syndications of loans by portfolio investments or providing other services with respect to Fund

investments). Any fees the BD Affiliate would receive in this capacity would generally not offset the management fee payable by investors and the BD Affiliate could have an incentive to pursue these transactions for its own economic gain.

For a description of material conflicts of interest created by our relationship with the BD Affiliate, please see “*Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*” below.

*Other Investment Advisers.* We are affiliated with Sixth Street Specialty Lending Advisers, LLC.

For a description of material conflicts of interest created by the relationship among us and any Related Advisers, as well as a description of how such conflicts are addressed, please see “*Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*” 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 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*” below.

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

### ***Code of Ethics***

Sixth Street 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 (1) one of two senior Partners within Sixth Street who screen applicable trade requests for conflicts that may exist in the context of prior, pending or anticipated future transactions involving Sixth Street’s client accounts, and (2) our compliance department (“Compliance”); or
- the transaction is exempt from pre-clearance under the Code of Ethics.

The investment policies, fee arrangements and other circumstances of these personal investments often vary from those of the 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 investments.

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. However, such committees will not represent the interests of all the investors, each member of such committee may act in the interests of the investor that it represents, will be indemnified by the relevant Fund for liabilities arising from their actions and the members of such committees may themselves be subject to various conflicts of interest (including that some or all of the members of an advisory committee may also be on the advisory committee of other

Funds with which there is a potential conflict or may represent investors that have an interest in multiple Funds) and will not be precluded from participating in discussions with respect to, or from voting on, any matters as a result of such conflicts of interest;

- 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;
- we may cause one or more Funds to dispose of a portfolio investment or particular security giving rise to an actual or potential conflict of interest, or in certain circumstances, to acquire additional investments or securities to mitigate an actual or potential conflict of interest;
- 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;
- in certain circumstances, we may erect temporary or permanent information barriers to restrict the transfer of non-public information between business units; and
- implement other policies and procedures (which may be specific to one or more portfolio investments) which are designed by us to mitigate the conflict of interest.

#### 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 or, in certain cases, our Funds and their portfolio investments, 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.

#### *Cross Trades and Principal Transactions*

The Funds may engage in "cross trades" from time to time with one or more Funds, to the extent Sixth Street determines in good faith that the transaction is in the best interest of such Funds. Cross trades can occur for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, portfolio rebalancing, to reduce transaction costs or to comply with regulatory requirements. Cross trades create conflicts of interest because the transaction is not exposed to market forces, which may result in either the buying or selling entity not receiving the best price otherwise possible. In addition, Sixth Street and its affiliates might have an incentive to improve the performance of a Fund by selling underperforming assets to other Funds in order, for example, to earn fees. Sixth Street and its affiliates generally will evaluate any such transactions on a case-by-case basis to address any such conflicts.

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. Accordingly, transactions in which Sixth Street or an affiliate acts as principal for its own account with respect to the sale of a security to, or purchase of a security from, the Funds are deemed principal transactions.

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 BD Affiliate in Fund Transactions*

As noted above under “*Item 10 – Other Financial Industry Activities and Affiliations*,” the BD Affiliate is an affiliated broker dealer.

In the event that the BD Affiliate were to expand the scope of activities permitted by its existing license, it may in the future engage in other activities, including transactions involving the Funds' portfolio investments (including, for example, as an underwriter in primary and secondary offerings by portfolio investments, acting as an arranger in syndications of loans by portfolio investments or providing other services with respect to Fund investments). Any fees the BD Affiliate would receive in this capacity would generally not offset the management fee payable by investors and the relationship we have with the BD Affiliate would give rise to conflicts of interest between us and Funds that have an interest in any portfolio investments or investment vehicles with respect to which the BD Affiliate provides services.

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 Affiliate may also act as a placement agent 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, the 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 the 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 the BD Affiliate.

For a description of the fees, commissions and other compensation the BD Affiliate and other affiliates receive in respect of the activities described above, please see “*Item 5 – Fees and Compensation*” 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 certain Funds or 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 relief 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 or Related 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.

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 and objectives, including 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 investment 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;
- 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;
- each Fund's and Related Fund's "demand" or desired allocation of an investment opportunity;
- the total size of the investment opportunity that is available or that is anticipated to be available to each Fund and Related Fund, which will depend on a variety of factors, including whether a liquid market exists for the prospective portfolio investment, the extent of such liquidity, the size of the underlying issuer, the anticipated trading volume of the underlying security and general economic conditions affecting fluctuations in market prices;
- 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.

Without limiting our right to allocate investment opportunities in whatever manner we determine to be appropriate in accordance with our allocation principles and the considerations outlined above, if we are presented with an investment opportunity and we determine that such investment opportunity, in whole or in part, is eligible to be presented to, and is suitable for, more than one Fund or Related Fund that are not subject to an obligation to offer or similar allocation priority, then, if the total size of an investment opportunity that is available or that is anticipated to be available exceeds the total demand of all Funds and Related Funds (including those subject to an obligation to offer or similar allocation priority), we may determine to allocate such investment opportunity across Funds and Related Funds in accordance with demand, or alternatively in circumstances where we determine that the total size of such investment opportunity is limited or likely to become limited in the future, we may for example allocate such investment opportunity as between such one or more Funds and Related Funds in accordance with a specified sharing percentage.

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 Sixth Street Credit Market Strategies 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 Sixth Street Specialty Lending 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. In particular, in order for TSLX to participate in a particular middle-market loan origination opportunity in respect of a company domiciled in the United States in circumstances in which one or more Funds already hold an investment in the relevant company, we may (where we determine that it is fair and reasonable under the circumstances) cause such Funds to dispose of all or a portion of their existing investments in such company, as TSLX would otherwise be restricted under the conditions of the SEC exemptive relief order from participating in such opportunity.

In making an allocation decision, additional conflicts of interest will arise. Specifically, because the Funds and Related Funds (including Funds and Related Funds pursuing similar or overlapping strategies) 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, directly or indirectly, a higher fee or more carried interest or a better return. This would similarly apply where Sixth Street also serves in an advisory or discretionary asset management capacity with respect to a company in which a Fund holds a portfolio investment. 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 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 investments or have the opportunity to increase their investment in a portfolio investment. This may occur under circumstances in which a portfolio investment is performing poorly, in which case the follow-on investment may be riskier than the initial investment in that portfolio investment, or when a company in which a Fund holds a portfolio investment 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 investment in need of such an investment or may diminish the Funds' ability to maintain a control position and/or otherwise influence the portfolio investment's future development. Moreover, to the extent that the Funds do not make such investments in a portfolio investment, such company may

seek capital from other investors who could rank senior to and/or cause the dilution of, the Funds' investment in such portfolio investment.

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 and which one or more existing investments it relates to (in which case certain investors in the Fund and/or other Funds may not participate or may participate in different relative proportions to the existing investment(s) in which they participate) or a new investment (in which case such other parties might participate). However other Funds and Related Funds may co-invest with a Fund in a follow-on or add-on investment relating to an existing investment, including in circumstances where we consider all or a portion of the follow-on or add-on investment not to be suitable for such Funds or Related Fund, as applicable (whether for portfolio construction, diversification or other reasons, including the expiration of commitment periods or terms of any applicable fund) and/or in circumstances where such Funds or Related Funds did not previously participate in the applicable portfolio investment. We will consider a number of factors when determining whether an additional investment should be treated as a follow-on investment and whether to offer such an additional investment opportunity to a Fund, which may include, without limitation, the expected holding period of an investment relative to the term of the Funds; whether the investment opportunity would have been presented to Sixth Street absent such Fund's or other Funds' or Related existing investment; the potential for conflicts of interest between such Funds and Related Funds; an applicable duty to offer to another Fund or Related Fund; the potential for synergies between an existing investment and a follow-on investment opportunity; and the allocation principles and policies of Sixth Street. Accordingly, a Fund's participation in an existing portfolio investment will not guarantee that such Fund will be offered the opportunity to participate in any follow-on or add-on investment related to such portfolio investment. 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. Conversely, 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.

#### *Allocation of Co-Investment Opportunities*

From time to time, we have offered (and in the future intend 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 or with which we have a broader strategic relationship;
  - 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;
- 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 a "most-favored nation," or "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, and/or may prospectively form Co-Investment Vehicles to permit potential co-investments by an investor in one or more transactions (whether on an opportunistic or a systematic basis) should those opportunities arise. 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. Certain 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, insight or 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 investment);
- the overall strategic benefit to the transaction, the Fund or Sixth Street of offering a co-investment opportunity to the potential co-investor;
- 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 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 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, 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 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 character and nature of the co-investment opportunity (including structure, geographic location, tax characteristics, applicable regulation and relevant industry);
- the tax, legal or regulatory constraints to which the proposed investment is expected to give rise;
- Sixth Street’s 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 by increasing the risk of antitrust or foreign investment approvals);
- Sixth Street’s 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 investments, or to Sixth Street in its ability to generate new investment opportunities for the Funds, Related Funds or future Related Funds;
- any other issues that could influence Sixth Street in its decision to invite one or more potential co-investors to participate, such as that they are subject to FOIA;
- 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 (and may incentivize us) to favor some potential co-investors over others with respect to the frequency with which we offer them co-investment opportunities or the proportion of an investment opportunity offered to them relative to other co-investors. These factors, including any broader strategic relationships or other arrangements with Limited Partners, investors in Funds or other parties (including in particular the amount of performance-based compensation, management fees or other fees paid by investor or co-investor receiving the priority allocation or favorable terms (as well as any additional discounts or rebates avoided by allocating co-investments to such investor or co-investor)), may lead us to offer certain Fund and/or Related Fund investors co-investment opportunities on a systematic basis (for example, by granting an investor the right to co-invest in each investment that meets certain criteria or in a certain amount of co-investment opportunities over the life of all or certain Funds or Related Funds or over the life of the particular arrangement with such investor). Such arrangements may be subject to or conditioned upon such investor making or maintaining aggregate capital commitments to certain Funds or Related Funds of a certain size threshold, over a certain period of time, or other factors. Moreover, such arrangements are also likely to involve the creation of special co-investment vehicles for such investors (*e.g.*, a partnership formed to hold multiple co-investments), and the existence of such a vehicle (and the nature of our relationship or arrangement with the investor for which the vehicle was formed) may in turn increase the likelihood that we will determine to allocate co-investment opportunities to the investor for which such vehicle was formed, as opposed to other investors.

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 investment. 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 syndication, warehousing or 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 Sixth Street BD, LLC 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. Sixth Street and its affiliates may also, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for the referral, sourcing or sharing of investment opportunities (including on a systematic basis). Sixth Street may pay or receive management fees, performance-based compensation and/or reimbursement of certain expenses in connection with such arrangements, including diligence expenses and general overhead, administrative, deal sourcing and related corporate expenses. Such economic arrangements may relate to allocations of co-investment opportunities and increase if certain co investment allocations are not made. While it is possible that the Funds and/or Related Funds will, along with Sixth Street and its affiliates themselves, benefit from the existence of those arrangements and relationships, it is also possible that investment opportunities that would otherwise be presented to, or made by, the Funds and/or Related Funds would instead be referred (in whole or in part) to such third party, whether pursuant to a contractual obligation or otherwise, and result in fewer opportunities (or reduced allocations) being made available to the Funds and/or the Related Funds.

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 – Fees and Compensation*”, 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 Partners of Certain Funds*

In respect of any investment opportunity that has been allocated to a particular Fund (as described above under “*Allocation of Investment Opportunities*”), actual, apparent or potential conflicts of interest may also arise as a result of our discretion, in certain limited instances, over the respective amounts of capital that different limited partners or groups of limited partners, including limited partners across different classes, will be required to contribute to certain Funds in respect of any investment opportunity.

In certain Funds, we have discretion to adjust the allocation of investments among different limited partners or classes of limited partners in the event we determine that participation in one or more portfolio investments (in whole or in part) would not be suitable for one or more limited partners or classes of limited partners or in the event we set a level of maximum exposure that any investor will have to an investment in accordance with the Governing Documents of certain Funds. 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 limited partner or class of limited partners;
- the expected amount of capital required for the investment as well as each such limited partner's or 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 such limited partner or class, amounts designated or reserved for such



obligations, and the timing of commitment period expiration or termination applicable to relevant limited partners;

- the existing portfolio of investments of each such limited partner or class and their portfolio construction goals and targets (e.g., concentration, diversification, geography targets, etc.) (including the portfolio of investments of limited partners whose commitment periods have not been terminated);
- the risk/reward profile, expected duration or relative liquidity of the investment;
- whether unused capital commitments of one or more limited partners 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 other portfolio investments of the relevant Fund; and
- any restrictions on investment applicable to a limited partner or class.

Allocation of portfolio investments to limited partners in any fund may also vary to the extent that one or more limited partners are excluded or excused (in whole or in part) from an investment, in accordance with the terms of the applicable Governing Documents, or default in the making of any capital call in respect of a portfolio investment. In each case, as a result, participating limited partners will generally be required to increase their contributions to the portfolio investment (which increase may be significant) and which, in turn, will reduce the degree of diversification of such limited partners' investments in the applicable Fund and increase the risk of loss.

#### *Allocation of Other Fees and Expenses*

From time to time, we determine whether to allocate certain other fees and expenses, both among Funds and Related Funds and among us, Funds and portfolio investments 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 investments (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 investments or, if incurred by us, are reimbursed by a Fund and/or its portfolio investments, we will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio investments to incur) such expenses.

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

Please see "[Resolution of Conflicts](#)" above for a description of the means by which we and our related persons may seek to alleviate conflicts of interest among the 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 or capital 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 or capital commitments, in each case depending on the Fund. 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, depending on the Fund, 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. With respect to certain Funds (e.g., the Sixth Street TAO Funds and the Sixth Street Agriculture Funds), 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 – Brokerage Practices*", under "*Cross Transactions*," and for additional information regarding investments by Funds in the portfolio investments 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*."

Sixth Street Growth is composed of certain parallel investment vehicles and related AIVs (collectively, the “Sixth Street Growth Funds,” and individually, a “Sixth Street Growth Vehicle”). Pursuant to the Governing Documents of the Sixth Street Growth Funds, one Sixth Street Growth Vehicle may participate in certain loan or structured debt investments originated by another Sixth Street Growth Vehicle (such investments, together with any instruments or investments associate 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 Sixth Street Growth 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 Sixth Street Growth Vehicle” shall refer to a Sixth Street Growth Vehicle originating Loan Origination Investment(s) and “acquiring Sixth Street Growth Vehicle” shall refer to a Sixth Street Growth Vehicle that acquires Secondary Loan Investment(s). Originating Sixth Street Growth Vehicles are entitled to receive fees from the acquiring Sixth Street Growth 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 Sixth Street Growth 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 Sixth Street Growth Funds will be required for the payment by an acquiring Sixth Street Growth Vehicle, of the receipt by the originating Sixth Street Growth Vehicle, of the Structured Loan Fee. Participating Sixth Street Growth 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 Sixth Street Growth Vehicle may participate, the election to participate or not participate in the Structured Loan Investment by an acquiring Sixth Street Growth Vehicle, and any changes to the commitments in the participating Sixth Street Growth Vehicles. The potential differences in the Loan Origination Investment portfolios and the Secondary Loan Investment portfolios, respectively, of originating Sixth Street Growth Vehicles and acquiring Sixth Street Growth Vehicles, as well as the differences in expenses and fee income may result in such Sixth Street Growth 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 Sixth Street Growth Funds and the terms of the transactions will be decided solely by our affiliates and the prices at which these transaction 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 Sixth Street Growth Vehicle over another, such as when such Sixth Street Growth Vehicle is more likely to pay carried interest to its general partner. In addition, although an acquiring Sixth Street Growth 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 Sixth Street Growth 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 portfolio investment or issuer. In light of each Fund’s and Related Fund’s investment strategy, together with the anticipated allocation of investment opportunities among the Funds and Related Funds, the timing, price or other terms on which the Funds participate in or dispose of an investment are expected to diverge between Funds or Related Funds participating in the same investment. There can be no assurance that such Funds and/or Related Funds investing alongside each other would exit such investment at the same time or on the same 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. Each Fund and/or Related Fund may make or exit an investment in a number of installments, which given the potential for price fluctuations in the public markets increases the likelihood that the Funds and Related Funds will make and/or dispose of investments, in whole or in part, on different terms, including price. For example, a Fund or Related Fund may invest in the publicly traded securities of a company in which another Fund holds a portfolio investment, including by purchasing these securities in an initial public offering, in a secondary offering by the Fund or in the open market. The other Fund’s or Related Fund’s view of the investment and its interests may diverge from those of first Fund. This could cause such Fund or Related Fund to dispose of, increase its exposure to or continue to hold the investment at a time when the other Fund has taken a different approach. As a result, the actions of another Fund or Related Fund

could affect the value of a Fund's investment. For instance, a sale by a Fund or Related Fund of its investment could put downward pressure on the value of another Fund's interest, which the latter has opted to hold longer-term. Funds or Related Funds are under no obligation to act in a way that furthers or protects the interests of other Funds. Another Fund or Related Fund could earn a return on its investment that exceeds another Fund's return, or vice versa.

In addition, in certain circumstances Funds and/or Related Funds investing alongside each other may be able to exercise influence or control only as a result of their combined interests in and/or cooperation with respect to an issuer or borrower. If another Fund and/or Related Fund exits an investment prior to the Funds, a Funds' ability to exercise such influence or control may be reduced or eliminated. In particular, 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.

Further, the investment objectives, guidelines and focus of one or more Funds and/or Related Funds overlap, and are expected to continue to overlap. As such, the Funds currently do, and are expected to continue to, invest in companies alongside one or more other Funds and/or Related Funds or in which one or more other Funds and/or Related Funds have invested or may invest in the future, and these investments may be of a different class or type than the class or type of interest held by another Fund (for example, at a different level of the capital structure of a particular company). Such side-by-side investments will occur in particular in the case of Funds of whose investment objectives, guidelines and focus overlap and in respect of which we intend to (and/or generally do) allocate certain types or categories investment opportunities as between such Funds in accordance with a specified sharing percentage as described above. In all cases, 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 be material and occur for various reasons, including as a result of tax, legal or regulatory constraints or other factors. Such overlapping investments may give rise to actual or potential conflicts of interest, or the appearance of such conflicts of interest, including as a result of one fund having more favorable fee, expense, compensation or other terms than the other, and actions may be taken for certain Funds and/or Related Funds that are adverse to other Funds.

In certain circumstances in which the Funds invest in a portfolio investment in respect of which such Funds and/or other Funds and/or Related Funds already hold an existing investment in one or more different classes, tranches or types of related interest, Sixth Street may consider that it is in the best interests of such Funds and/or Related Funds to structure such investment in a manner (or enter into one or more transactions) designed to ensure that such Funds' and/or the Related Funds' respective investments in each class, tranche or type of interest are held pro rata to their overall investment size or in such other proportion as Sixth Street considers fair and equitable. Although the purpose of adopting such structures or entering into such transactions will generally be to avoid or mitigate conflicts of interest which may arise as a result of different Funds and/or Related Funds holding different investments, or different proportions of investments, at different levels of the capital structure, such investment structures or transactions may themselves give rise to conflicts of interest (including as a result of Funds and/or Related Funds transferring or exchanging a portion of their existing investment) but advisory committee approval may not be required.

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 Funds or 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 Funds 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 a Fund and the other Funds or 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. For the avoidance of doubt, co-investments as between Funds and/or Related Funds made through one or more aggregation entities will generally not be considered “Asset Pools”.

Counterparties in transactions in which Funds and/or Related Funds participate alongside other Funds and/or Related Funds may (and commonly do) require transacting with only one fund entity or Sixth Street affiliated entity, which may result, (i) if a Fund is a direct counterparty to a transaction, such Fund assuming liability for purposes of transacting with such counterparty with respect to its own share as well as other Funds and/or Related Funds’ shares of any applicable obligations, or (ii) if such Fund is not the direct counterparty, such Fund having a contribution obligation to the relevant other Funds and/or Related Funds or Sixth Street affiliated entity. Alternatively, a counterparty may agree to transact directly with multiple funds, which could result in Funds and/or Related Funds being jointly and severally liable alongside each other for the full amount of the applicable obligations. In cases in a Fund could be responsible for the liability of another Fund and/or Related Fund, we generally expect that the applicable parties would enter into a back to back or other similar contribution or reimbursement agreement. However, if any one or more of such Funds and/or Related Funds do not have sufficient resources to pay its liability, another Fund could bear more than its pro rata share of the relevant loss. It is not expected that such Funds and/or Related Funds will be compensated for agreeing to assume liability vis à vis a third party. Sixth Street will endeavor to allocate liabilities and obligations of the Funds and Related Funds owning an interest in a portfolio investment in a manner which it believes is fair and equitable and which will generally be pro rata in accordance with their respective interests in the relevant investment. However, the Funds and Related Funds may incur disproportionate liabilities in certain circumstances, including as a result of differing relative exposures to one or more assets comprising a portfolio investment resulting from their differing terms, investment periods or investment objectives, which may give rise to conflicts with respect to the price, timing and manner of disposition of an investment.

A Fund or a company in which a Fund holds a portfolio investment 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.” This may give rise to actual, apparent or potential conflicts of interest, and such conflicts will be increased where a Fund and/or a Related Fund holds a material equity interest in, or otherwise has a material influence on the management, of a company in which another Fund and/or any Related Fund holds a portfolio investment. In this regard, decisions made 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 or junior debt, including in connection with the purchase of a pool of securities by a Fund or another Fund or a Related Fund, the Fund would be senior to such other Fund or Related Fund in the capital structure of the company and the interests of the Fund such other Fund or the Related Fund could be adverse in certain circumstances. For instance, in a distress or workout scenario, including a bankruptcy, insolvency or similar proceeding, the Fund could recover on its investment while such other Fund or Related Fund holding equity or junior debt might not. In addition, in these circumstances, if additional investment is necessary (including as a result of financial or other difficulties) it may not be in the best interests of the Fund, for example, as a holder of senior secured debt issued by such company, to provide such additional financing, however, if another Fund or Related Fund holding more junior debt or equity positions were to lose its respective investment as a result of such difficulties, our ability or willingness to recommend actions in the best interests of the Fund might be influenced by our duties to such other Fund or Related Fund. Conversely, it is also possible that the Fund could hold interests in an issuer or borrower that rank junior to the interests held by another Fund or Fund or Related Fund in the same issuer or borrower. Such other Fund or Related Fund may take actions in its own interests with respect to its rights as a creditor (for example, with respect to breaches of covenants) that may be adverse to the interests of the Fund as a more junior debt holder. In addition, if such a company were to enter a distress or workout scenario, including a bankruptcy, insolvency or similar proceeding, the Fund's interest would be subordinated or could otherwise be adversely affected by virtue of the involvement and actions of another Fund or Fund or Related Fund. For example, in the event a company enters bankruptcy, a Fund or Related Fund holding securities which are senior in bankruptcy preference may have the right to pursue the company's assets to fully satisfy such company's indebtedness to such Fund or Related Fund, and Sixth Street might pursue such remedy on behalf of such Fund or Related Fund. This may result in a loss or substantial dilution of the Fund's portfolio investment, while another Fund or Fund or Related Fund recovers all or part of amounts due to it.

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. Funds and Related Funds will not be required to take any action or refrain from taking any action to mitigate potential losses by another Fund.

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 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 investment also raise the risk of using assets of one of our clients to support positions taken by other clients of ours. While expected to be very infrequent, similar conflicts could arise to the extent that a BD Affiliate holds securities of a company in which a Fund holds a portfolio investment.

Similarly, a Fund may provide financing to a third party that is transacting with another Fund or Related Fund, including a third party that is acquiring or refinancing (directly or indirectly) a portfolio investment held by another Fund or Related Fund. Conversely, another Fund or a Fund or Related Fund may provide financing to a third party or portfolio investment in circumstances in which a Fund is disposing of, refinancing or otherwise being repaid in respect of, a portfolio investment. These transactions are likely to present conflicts of interest, including as to whether existing investors, which could include Funds and/or Related Funds, are receiving value which is higher or lower than fair market value or are otherwise transacting on arm's length terms. Where a Fund and/or another Fund or Related Fund participate as existing investors in a portfolio investment that is undergoing these types of transactions, there is no guarantee that such Fund or such other Fund or Related Fund will participate as new investors in the same relative

proportion as the initial investment or at all, which will depend, among other things, on such Fund's and each other Fund's or Related Fund's investment objectives, strategies and structure, as determined by us.

With respect to companies in which Funds or Related Funds hold equity investments, such Funds or Related Funds may hold, or seek to acquire, controlling or significant influence positions in such companies. Certain actions of a company that a Fund or Related Fund is in a position to control or influence may be in the interests of such Fund or Related Fund but adverse to another Fund. For example, a Fund or Related Fund could have an interest in pursuing an acquisition that would increase indebtedness, a divestiture of revenue-generating assets, or another transaction that, in the a Fund's or Related Fund's judgment, could enhance the value of the Fund's or Related Fund's investment, but would subject the investment made by another Fund to additional or increased risk.

The relevant Fund or Related Fund is also likely to have the ability to determine (or significantly influence) the outcome of all matters requiring stockholder approval and to cause or prevent a change of control of such company, or a change in the composition of its board of directors and could, among other things, preclude any unsolicited acquisition of such company or the incurrence or repayment of indebtedness or other liabilities by such company. The interests of such Fund or Related Fund with respect to the management, investment decisions or operations of a company may at times be in direct conflict with those of another Fund, which will not have the same level of control or influence over the company by virtue of its portfolio investment.

In order to mitigate conflicts of interest that may arise between Funds and Related Funds and their respective portfolio investments in such circumstances, Sixth Street may determine to (but is under no obligation to) adopt certain policies or procedures relating to their management of any portfolio investment. Such measures may include, for example, abstaining from voting, or exercising its vote in the same manner as a majority of unaffiliated third parties holding the same interests, on matters put to the relevant security-holders of the portfolio investment. Any such policies or procedures that are implemented may be implemented either at the time a potential conflict of interest is identified and/or at such later time as an actual conflict of interest becomes apparent, and in any event may not succeed in mitigating the relevant conflicts such measures were designed to address. Adopting any such policies or procedures may result in a Fund and/or Related Fund voting on matters or otherwise exercising (or failing to exercise) their rights in respect of a portfolio investment in a manner which is not in the best interests of another Fund, and advisory committee approval will generally not be sought for such actions.

#### *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, or person having some form of contractual relationship with, one or more Funds or a company in which they hold a portfolio investment, and which companies may or may not be part of the same corporate group. In addition, our employees may serve as directors, or otherwise be associated with, companies that are competitors of portfolio investments of certain Funds. These circumstances would give rise to a variety of conflicts of interest. For example, another Fund or its portfolio investment may take actions for commercial reasons that have adverse consequences for the Fund or its portfolio investment, such as seeking to increase its market share at the expense of the company in which the Fund holds a portfolio investment (as a competitor), withdrawing business from such 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 such company (in any capacity). Another Fund or a Related Fund may also obtain information while dealing with its portfolio investments that it is prohibited from acting on or disclosing to another Fund or its portfolio investment as a result of confidentiality requirements or applicable law, even though such action or disclosure would be in the latter's interests. In addition, to the extent not restricted by confidentiality requirements, we 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 when taking actions with respect to their portfolio investments.

#### *Conflicts Arising from Our Relationship with the Funds and Managers of Sixth Street-managed CLOs*

We have certain contractual and economic relationships with managers of Sixth Street-managed CLOs ("Sixth Street 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 Sixth Street 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 Sixth Street Collateral Managers, our affiliates will also benefit from the asset advisory fees and performance fees received by the Sixth Street Collateral Managers from Sixth Street-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 Sixth Street-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 Sixth Street 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 of the Fund, including Sixth Street 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 Sixth Street-managed CLO, due to both the general partner receiving performance-based compensation from the Funds and the affiliated Sixth Street 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 Sixth Street-managed CLO equity tranches).

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

#### *Diversity of Partners*

The Funds' are generally expected to admit diverse groups of investors who have different investment programs and are subject to different legal, tax and regulatory regimes. For example, the investors will include taxable and tax-exempt entities and will be organized in various jurisdictions. The nature and diversification of a 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 investors. In selecting investments appropriate for a Fund, we will consider the investment objectives of the Fund as a whole, not the investment objectives of any investors individually. To the extent we are able to structure certain investments based in part on the legal, tax and regulatory constraints of investors, 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 may conflict. The terms of a Fund may effectively require the Fund 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 in certain Funds do and/or are expected in the future to represent a substantial portion of such Fund's aggregate capital commitments. Consequently, any such investors may unilaterally have the ability to veto certain matters requiring investor consent under the applicable Governing Documents (and may act solely in their own interests when exercising such rights), and defaults by, or the exercise of excuses or exclusions from specific investments in respect of, such investors may result in other investors being required to contribute additional amounts to the applicable Fund significantly in excess of the amounts they would have otherwise been required to contribute (whether in respect of a specific investment or to such Fund generally). Finally, with respect to the Sixth Street TAO Funds and the Sixth Street Agriculture Funds in particular, the termination of any such investor's commitment period may result in a significant reduction in the capital available to such Funds and adversely affect their ability to pursue their investment strategies.

An investor admitted to a Fund after its first closing will generally buy into any portfolio investments made prior to such investor's admission to the Fund at cost, unless the Fund determines in its sole discretion, based on the facts and circumstances available to it at the time of its determination, that a different contribution would be appropriate and/or that such investor should be excluded from participating in an existing investment. In determining the price at which



new investor will participate in any such investment and/or whether to exclude new investors from an existing investment, the Fund's actions may necessarily favor one group of investors over another.

In addition, certain investors in any Fund may incur more costs, or be subject to different tax risks, than other investors in such Fund (or other Funds). For example, to address legal, tax, regulatory, accounting or similar considerations, we may structure investments in certain portfolio investments so that some (and not all) investors hold their investments through one or more AIVs. While we generally expect that the economic and other substantive provisions governing any alternative investment vehicle will be substantially the same as those governing the relevant Fund (taking into consideration the legal, tax, regulatory, accounting or other impetus for the alternative investment vehicle structure), an investor's rights in, and our obligations and duties as investment adviser of, the AIVs may differ from those applicable to the Fund by virtue of the alternative investment vehicle'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 alternative investment vehicle that results in favorable tax treatment for one set of investors but has less favorable tax attributes for another.

Finally, investors typically engage in a broad range of investment activities in addition to their investments in the Funds. Some investors may enter into various transactions relating to the Funds or their portfolio investments, such as co-investments alongside the Funds, financing transactions for Fund portfolio investments and the acquisition of portfolio investments from the Funds. Provided that an investor is not otherwise an affiliate of Sixth Street, these types of transactions generally do not require the consent of advisory committees of applicable Funds or investors more generally. Investors that are represented on an advisory committee have interests that differ from, or conflict with, the interests of other investors due to, among other things, different legal, tax or regulatory regimes, their interests in other Funds or their overall relationship with us and our affiliates (including direct or indirect economic interests in Sixth Street-affiliated entities). Certain Funds' Governing Documents expressly provide that each advisory committee member can take into consideration solely its own interests in discharging its duties. Accordingly, such advisory committees can make decisions that benefit its members, us or our affiliates, even if those decisions are adverse to all or certain other investors and the relevant Fund's interests as a whole. Similarly, investors do not need to take into account the interests of other investors in voting on matters presented to investors more generally. In addition, certain investors that are represented on an advisory committee of one Fund may also serve on advisory committees of a different Fund, which may give rise to actual, potential or apparent conflicts of interest.

#### *Customized Terms Applicable to Separately Managed Accounts*

Sixth Street currently advise, and expect in the future to continue to advise, a number of SMAs (including in connection with "broader strategic relationships" entered into between Sixth Street and investors). The terms of each SMA are, and are expected to be, highly customized to reflect the specific relationship between Sixth Street and the particular investor, and such investor's own investment guidelines and requirements. Specific examples of the rights or benefits afforded to investors in SMAs (and which may not be afforded to investors in other Funds, including Funds that co-invest with or follow substantially similar strategies to any SMA) may include, without limitation: preferential termination rights, enhanced disclosure and reporting rights, the right to be offered co-investment opportunities (and/or terms or other arrangements relating thereto), and/or preferential management fee, carried interest or other economic arrangements (including discounts or reimbursements relating to economic terms). Investors in other Funds will generally not be entitled to disclosure of, or the benefits of, any such SMA arrangements or terms, whether under any side letter "MFN" provision or otherwise, in each case regardless of an investor's commitments to a particular Fund.

#### *Conflicts Related to Insurance Platform and Related Strategies*

As a broad-based alternative investment platform, Sixth Street has since inception developed, and is continuing to develop, new and diverse businesses, which may be related to or adjacent to its existing businesses. In particular, Sixth Street has developed a platform to provide certain insurance-related services, including asset and liability management advice, asset allocation, sourcing and oversight and related services ("Sixth Street Insurance"), which seeks to capitalize on favorable market conditions in the dislocated European insurance sector.

Sixth Street Insurance currently provides certain of its services to portfolio investments of certain Funds (and we refer to those service recipients as "clients" of Sixth Street Insurance), subject to restrictions and/or approvals set forth in or obtained in accordance with the relevant Governing Documents. It is anticipated that the number of clients of Sixth

Street Insurance in which the Funds hold portfolio investments will increase in future and it is possible that Sixth Street Insurance may also provide services to third party insurance companies or other clients operating in similar sectors. Such companies are expected to invest in the same geographies, strategies, industries or types of investment as certain Funds, or otherwise seek to pursue investment strategies similar to, or which overlap or conflict with, the investment strategies and other activities of such Funds and their portfolio investments, and therefore investments made by such companies (including alongside such Funds) may reduce the investment opportunities otherwise available for such Funds or their portfolio investments, or may, in certain circumstances, involve co-investments (which may not be at the same time or on the same terms as such Funds) with such Funds.

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) from clients of Sixth Street Insurance (including companies in which the Funds hold a portfolio investment), and such amounts may be material relative to the aggregate fees and compensation otherwise payable by the Funds and will not reduce the advisory fees payable by investors in the relevant Funds, and therefore may create an incentive on the part of Sixth Street and its other affiliates to recommend the services of Sixth Street Insurance to such companies, favor its interest in Sixth Street Insurance in connection with its negotiations with companies with respect to the terms of a transaction or arrangement (including, in particular, fees payable to Sixth Street Insurance) and 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. Sixth Street and its affiliates or related parties could continue to receive fees, including performance-based or incentive fees, for the services described in the preceding paragraphs with respect to investments sold by the Funds or a portfolio investment to a third party buyer after the sale is consummated. Such post-disposition involvement will give rise to additional potential or actual conflicts of interest.

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.

Clients of Sixth Street Insurance, including portfolio investments of the Funds, will generally not be our “Affiliates” for purposes of the Governing Documents of the Funds and limitations or obligations pursuant to the Governing Documents with respect to transactions with “Affiliates” will not apply, including in particular that investment opportunities that are presented to or sourced by such persons would not be required to be offered to the Funds. To the extent Sixth Street professionals serve on the boards of directors of such companies, they may have duties to present such opportunities to them. In addition, certain clients of Sixth Street Insurance, including portfolio investments of the Funds, may invest in certain Funds or Co-Investment Vehicles 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 ours (as described above) 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.

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), 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 or any associated or formerly associated investment platform 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, or disposing of, 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, the presence of an information barrier may limit the ability of a Fund to benefit from Sixth Street’s or its affiliates’ expertise in the event that other Funds are on the opposite side of an information barrier.

There can be no guarantee that any information barrier currently in place will be maintained and if an information barrier is not maintained in the future, non-public information received by one investment team in Sixth Street would generally be imputed to all other investment professionals that are not behind an information barrier, which as a general matter includes all of the personnel who make investments for the Funds. In addition, some Funds and 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 or applicable industry conventions (such as with respect to secondary loan trading), generally restrict the trading activities of these Funds and Related Funds with respect to that company, as well as the trading of securities or debt instruments in its portfolio or that could be of interest to a Fund. 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. In addition, in certain circumstances, we may have an incentive not to take certain actions that would impede the operation of another Fund or Related Fund, including for example where the other Fund or Related Fund may wish to, or is actively seeking to, trade out of any investment. In light of these consequences, we may decline to receive non-public information on a company or otherwise pursue an investment opportunity relating to such company or we may decline to implement or maintain a temporary information barrier for certain Funds, in each case, if doing so would prevent other Funds or Related Funds from trading securities or debt instruments currently in their portfolio or of interest to them.

In limited circumstances we may (but are not required to) seek to erect temporary information barriers from time to time to restrict the transfer of non-public information between Related Funds and Funds (or certain investment teams or professionals) to avoid the restrictions described in the preceding paragraph with respect to issuers or their instruments, including but not limited to, if the information barrier that exists between the Sixth Street Credit Market Strategies business, on the one hand, and the Funds and Related Funds, on the other hand, was no longer maintained. In these instances, however, a Fund’s ability to benefit from our expertise outside any such barrier will be limited. However, as a result of timing or other factors relating to certain transactions pursued by Funds or Related Funds, the establishment of a temporary information barrier may not be practicable, and Sixth Street may determine not to establish (or to establish and subsequently abolish) a temporary information barrier, including in light of the impact such an information barrier could have on Funds and Related Funds or their existing or prospective portfolio investments. In addition, any such temporary information barrier that is established may be more susceptible to inadvertent breach than the permanent information barrier currently in place, and in the event of such a breach, the

Funds will likely face the same restrictions on its investment activities as they would have faced had the temporary information barrier not been established in the first place.

Furthermore, Sixth Street personnel who are members of an investment team or investment committee may be excluded from participating in certain investment decisions relating to the Funds due to conflicts involving other Sixth Street businesses or for other reasons, in which case the Funds will not benefit from their experience.

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 – Contractual Undertakings and Other Activities*

Sixth Street or its affiliates may, from time to time, enter into covenants that restrict or otherwise limit the ability of the Funds and their portfolio investments to make investments in, or otherwise engage in, certain businesses or activities, such as the grant of exclusivity to a counterparty or a non-compete undertaking, which could limit the Funds’ activities and negatively impact the ability of the Funds’ general partners to implement the Funds’ investment program. In addition, in the event that another Fund or Related Fund also invests in one of a Fund’s portfolio investments, such Funds may be subject to regulatory or legal restrictions or constraints that may not have applied had such other Fund or Related Fund not also invested in the same investment. Further, another Fund or Related Fund may seek to make a potential portfolio investment in a company in circumstances in which a Fund is seeking to make a portfolio investment in a competing purchaser or lender, such other Fund or Related Fund may take actions which prevent or limit a Fund’s ability to participate in such transaction, that may expose such Fund to adverse legal, regulatory and/or reputational consequences and may act or direct such portfolio investment or company to act in a manner that is adverse to the interests of such Fund.

#### *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. In the event that such business are “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. Such businesses will not be considered “Affiliates” of ours or the Funds pursuant to the Governing Documents of certain Funds. Accordingly, the Governing Documents of certain Funds do not subject these “walled-off” businesses to certain restrictions otherwise applicable to our affiliates and generally do not require the consent of the advisory committee or such Funds’ investors generally for such Funds to invest in an investment in which such a walled-off business or its personnel already holds an existing material investment or otherwise holds a financial interest.

#### *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 investment and the participating funds and other relevant factual circumstances could result in an extension to one year of the ninety-day bankruptcy preference period with respect to payments made to a 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 companies in which the Funds hold portfolio investments. The effect of these relationships will vary from jurisdiction to jurisdiction. These factors could expose the assets of a Fund to claims by a company in which it holds a portfolio investment, 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, including the payment of any special tax distribution,
- cover any shortfall in capital contributions resulting from default, excuse or exclusion, 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 a 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, the dispersion of the creditworthy investors, and the exercise of the lenders' discretion. In particular, lenders may provide the Funds varying levels of credit, or no credit at all, for different investors, but all investors would participate in the benefits and risks associated with the credit facility's use. In the event that lenders provide limited or no credit to a significant number of investments (or investors accounting for a significant proportion of the interests in the Funds), the Funds may not have access to any Fund-level leverage at all and, therefore, the Funds may not achieve the same rates of returns or access the same investments, and the applicable general partner may not be able to manage the Funds' cash flows in the same manner, as they would have done had leverage been available. 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 investment 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 will depend on the timing of actual investor capital contributions and the Fund distributions to investors, and not of the Fund's deployment of capital. As a result, borrowing to fund portfolio investments will delay the timing of capital calls (and shorten the period between calling and distributing capital), and 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 lieu of calling capital in order to potentially increase net IRR.

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 and in respect of certain periods 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. Such determinations will reflect, among other things, fair value determinations by Sixth Street. We 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.

#### Portfolio Leverage and Other Forms of Financing

In addition to fund-level borrowing, we may utilize leverage at the level of a portfolio investment or one or more special purpose vehicles formed to invest in or hold one or more portfolio investments. Borrowings by entities other than a Fund that are not directly or fully recourse to a Fund's assets generally in the will generally not constitute fund-level borrowing for the purpose of applying the Governing Documents limitations on borrowings. The risks and costs associated with Fund-level borrowing described above (see "*Certain Risks and Costs of Fund-Level Borrowing*") generally apply to portfolio leverage.

Portfolio leverage is generally structured through one or more special purpose vehicles formed to hold one or more investments and may be applied with respect to a Fund's portfolio as a whole or with respect to one or more portfolio investments. In addition to more traditional borrowing structures, we may structure portfolio leverage facilities through the use of one or more revolving credit facilities or a special purpose vehicle in which the lenders are senior secured note holders and one or more Funds or Related Funds are subordinated note holders, and portfolio leverage may be provided by one or more investors in other Funds or Related Funds and with which Sixth Street have a pre-existing relationship.

The presence of portfolio leverage (including where it is applied in addition to Fund-level borrowing) will magnify the volatility of such Funds' investment portfolio and substantially increase the risk profile of such Funds and their investments. If the portfolio investments which are levered fail to perform to expectation, the interests of investors will be structurally subordinated to such leverage, which will compound any such adverse consequences and lenders may, under the terms of portfolio financing arrangements, have the right to withhold distributions of interest payments in respect of any or all leveraged portfolio investments for various reasons, including in the event that any such portfolio investment fails to perform to expectation.

Under portfolio financing arrangements, investments are also expected to be cross-collateralized or cross-defaulted, and accordingly multiple investments may be subject to the risk of loss. As a result, Funds could lose their interests in performing portfolio investments in the event such portfolio investments are cross-collateralized or cross-defaulted with poorly performing or non-performing portfolio investments. In addition, even if portfolio financings are not recourse to the Funds we may cause the Funds contribute additional capital to the special purpose vehicles to avoid adverse consequences to the portfolio investment (or one or more other portfolio investments), including foreclosure on the collateral at a lower valuation, where there is a risk of a default or acceleration or a "margin call" or equivalent obligation following a decline in the value of collateral.

Accordingly, Funds' use of portfolio leverage may have, amongst others, the following consequences for investors: (i) greater fluctuations in the net asset value of Fund assets; (ii) use of cash flow (including capital contributions) for debt service, distributions, or other purposes; (iii) to the extent that Fund revenues are required to meet principal payments, the investors may be allocated income (and therefore tax liability) in excess of cash distributed; and (iv) in certain circumstances, Funds may be required to dispose of portfolio investments at a loss or otherwise on unattractive terms in order to service its debt obligations or meet its debt covenants. In addition, Funds may need to refinance portfolio leverage as it matures. There is a risk that Funds may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of the existing financing. If prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect Fund financial condition, cash flows and the return on its investments.

A Fund may enter into guarantees or other forms of surety with respect to the indebtedness of third parties, including borrowers and/or issuers. 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 investments 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.

Funds invest from time to time in borrowers and issuers 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 borrowers or issuers to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the borrowers or issuers or their respective industries. The incurrence of significant indebtedness could also subject borrowers and issuers 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 borrowers' or issuers' ability to respond to changing industry conditions, make necessary capital expenditures, obtain additional financing, take advantage of growth opportunities or engage in strategic acquisitions.

#### 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 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 investment 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 Relationships with Non-Affiliated Entities/Joint Ventures*

Any restrictions in the Governing Documents that relate specifically to our affiliates do not apply to companies, funds, or other entities that are not our affiliates for purposes of the Governing Documents, even if we, our affiliates, the Funds or Related Funds have significant economic interests and/or non-controlling governance rights in such entities, or vice versa. For example, we, 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, we 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, including investments by such entities in a portfolio investment of a Fund, 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 portfolio investments would not offset the Fund's advisory fees. In addition, investment opportunities sourced by these ventures generally would not be required to be offered to the Funds or otherwise allocated in accordance with the allocation principles described above. This includes entities or businesses that are explicitly from the definition of "Affiliate" in the relevant Funds' Governing Documents, either explicitly or, with respect to certain Governing Documents, by virtue of Sixth Street not being responsible for or involved in the day-to-day operations of such persons, which would 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" under certain Governing Documents even though Sixth Street and/or its affiliates exercise control over them.

Sixth Street was originally established as a strategic partnership with TPG, a global alternative asset management firm (to which we refer, together with its affiliates, as “TPG”). On May 1, 2020, Sixth Street and TPG consummated transactions to formally operate as independent, unaffiliated businesses (collectively, the “May 2020 Transaction”).

In connection with our prior affiliation with TPG, we previously disclosed various scenarios that could have given rise to potential or actual conflicts of interest between Sixth Street and TPG. The result of the May 2020 Transaction is that we are no longer affiliates and, though Sixth Street continues to use certain services provided by TPG, the two firms have erected an information barrier that prevents the sharing of information between each other. As a result, we believe the opportunity for a conflict of interest to arise between us and TPG is in most cases eliminated. Circumstances supporting this conclusion include, but are not limited to: (1) TPG is a passive, minority investor in Sixth Street; (2) following the May 2020 Transaction, TPG and its affiliates (including its managed funds) are no longer considered affiliates of ours for purposes of prevailing U.S. regulatory rules and regulations (and TPG funds are not “Funds” or “Related Funds” for the purposes of this brochure) and the Funds’ Governing Documents (i.e., restrictions and conditions in the Funds’ Governing Documents applicable to “Affiliates” no longer apply to TPG, and the same is true as it relates to us in the context of the governing documents of TPG’s funds); and (3) we have established a permanent information barrier between Sixth Street and TPG which restricts the flow of confidential information between our respective businesses.

However, we note that, while Sixth Street has operated autonomously from TPG for some time, there will be a multi-year period (a “Transition Period”) to transition the limited operational services provided by TPG to Sixth Street, which includes certain IT, real estate, accounting, benefits and compliance-related services (including assisting with the maintenance of the Sixth Street restricted list). Services provided by TPG to Sixth Street during this Transition Period are governed by a Transition Services Agreement (the “TSA”), which provides, among other things, for the services to be provided in accordance with an agreed upon standard of care, the fees payable for such services, and for other customary arm’s-length terms and conditions.

Recognizing our historical relationship and prior affiliation, and certain legacy investments that TPG’s funds and the Funds previously invested in alongside one another, we understand that there may be an appearance of lingering conflicts of interest between Sixth Street and TPG during the Transition Period. In particular, we recognize the potential for the appearance of a conflict of interest arising in connection with our hiring an unaffiliated service provider that is also an alternative asset manager (i.e., TPG) to provide us with services that would result in it obtaining sensitive and confidential information regarding Sixth Street and its clients. However, in consideration of (1) our disaffiliation from TPG, (2) the information barrier referenced above, and (3) the protections that accrue to the benefit of Sixth Street and its clients that are included in the TSA, we believe that any such conflict is sufficiently mitigated.

In addition, portfolio investments of a Fund 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 investment and/or ultimately control it through control of the relevant Fund. For example, in the event that portfolio investments of one or more Funds entered into a transaction with each other, such transaction generally would not trigger the advisory committee or investor 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 investment 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 Fund. 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 investment 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 investment 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 investment 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 such personnel will devote such time to each Fund's activities as we determine to be appropriate, consistent with the relevant Governing Documents. However, these people 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 companies in which the Funds and Related Funds hold portfolio investments. Although the Governing Documents generally contain certain time and attention requirements of "Senior Professionals," there is no requirement that such personnel or other Sixth Street professionals devote a specified amount of time and attention to the affairs of specific Funds. Such requirements may be satisfied by the devotion of time and attention to any investment vehicles or programs established by Sixth Street, which includes matters such as Sixth Street firm governance. Conflicts will therefore arise in the allocation of management and personnel resources as among Sixth Street's and its affiliate's various activities. 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 generally 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:

- a "most-favored nation" or "MFN" clause, pursuant to which an investor may receive the benefit of particular rights granted in side letters of other investors in the applicable Fund;
- the fee structure, including reduced or modified advisory fees and/or carried interest;
- the reporting or other disclosure or notification obligations of the applicable Fund;
- the right to transfer interests in the applicable Fund;
- the right to withdraw from the applicable Fund in the event of adverse tax or regulatory events, including matters related to political contributions, gifts and other such policies, (which, if exercised, would increase the other investors' pro rata interest in all the applicable Fund's investments and their contribution obligations for, future investments and expenses, and reduce the overall size of the applicable Fund);
- the ability to opt out of certain types 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 or non-voting observer 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 applicable 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;
- the right to cause the applicable Fund to structure the investor's indirect interest in certain types of investments in favorable ways;
- preferential terms regarding termination of a limited partner's commitment period (if applicable with respect to a Fund);
- 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 and, 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. However, we expect in certain circumstances to disclose the side letters of certain investors in a Fund to other investors pursuant to an MFN clause and, pursuant to such clause, may provide the benefit of particular rights and benefits granted in these side letters to some investors in a Fund. Given the high degree of customization that is typically reflected in side letters, particularly as a result of legal, regulatory, tax or policy requirements specifically applicable to particular investors, it would not be feasible or appropriate to apply the MFN clause to all matters. Accordingly, the MFN clause is subject to a number of significant conditions and limitations. In particular, with respect to certain Funds (including the TAO Funds), investors making capital commitments in specific fundraising periods may not have any right to disclosure of any side letters entered into in prior fundraising periods or subsequent fundraising periods or to the rights or benefits granted in side letters entered into in such prior fundraising periods or subsequent fundraising periods, including because MFN rights given to investors making a capital commitment in specific fundraising periods may only apply to other side letters entered into in the same fundraising period.

In addition, investors subscribing to certain Funds may be subject to economic or other "core" terms that are, in certain cases, more favorable than the corresponding terms to which other investors are be subject (including in respect of management fee, carried interest, preferred return rates and the ability to terminate an investor's commitment period) and although other investors may have negotiated MFN or notice or disclosure rights over such economic or "core" terms of other investors, such MFN or notice or disclosure rights may be subject to those economic or other "core" terms of other investors being more favorable than another investor's corresponding terms either individually or in the aggregate, which determination will often be based on subjective judgments about which reasonable people may differ, and which we typically make in our sole discretion. As such, investors may not receive notice, or the benefit, of other investors' economic or other "core" terms through the application of their MFN or notice provision, including

in circumstances where certain terms are more favorable on an individual basis, or where we determine in our sole discretion that the other investors' economic or other "core" are not be more favorable in the aggregate.

Furthermore, Sixth Street and/or its affiliates have entered, and expect in the future to enter, into "broader strategic relationships" with investors who are or may become investors in one or more Funds or Related Funds (including investors with, or having the right to make, significant historical, pending and/or future commitments to, or otherwise participate in, in Sixth Street funds or other Sixth Street entities). The term "broader strategic relationship" is intended to address a relationship between an investor and Sixth Street and/or its affiliates that does not relate solely to an investment in a particular Funds or Related Fund such as, without limitation, investing in or making commitments across multiple Funds or Related Funds or partnerships, other pooled investment vehicles or similar entities, including "funds-of-one", SMAs, co-investment vehicles and managed accounts established or sponsored by Sixth Street or its affiliates or other investments in Sixth Street or its affiliates or arrangements with Sixth Street or its affiliates relating to the sourcing or financing of, or co-investing in, investments (including across one or more strategies in addition to the Funds' strategy). Each such arrangement is expected to be highly customized to reflect the specific broader strategic relationship between Sixth Street and/or its affiliates and the particular investor. Specific examples of the rights or benefits afforded by a broader strategic relationship may include, without limitation: the right to be offered co-investment opportunities, and related economic terms, targets and remedies (and/or terms or other arrangements relating thereto, including the formation of dedicated vehicles), knowledge exchange or training and secondment programs and/or preferential management fee, carried interest or other economic arrangements (including discounts or reimbursements relating to economic terms), and broader strategic relationships that have been entered into do include terms relating to certain of the foregoing rights or benefits. For example, a "broader strategic relationship" may entitle an investor to discounted, rebated or otherwise reduced carried interest or management fee rates if such investor makes or maintains aggregate capital commitments to the Funds and Related Funds in excess of a certain threshold or makes co-investments in excess of (or below) a certain threshold. Co-investments forming part of a broader strategic relationship may include co-investment in investments made by the Funds and Related Funds and Sixth Street and/or its affiliates may receive compensation from a broader strategic relationship or otherwise be incentivized to allocate investment opportunities away from the Funds and Related Funds or source investment opportunities for broader strategic relationships. As we have significant discretion in making determinations regarding the allocation of investment opportunities to the Fund and Related Funds (including any co-investment vehicles formed pursuant to strategic broader relationships), such relationships give rise to certain conflicts of interest which may incentivize (or, in hindsight appear to have incentivized) reduced allocations being available for the Funds and Related Funds and/or fewer co investment-opportunities (or reduced allocations) being made available to Fund and Related Fund investors than would have otherwise been suitable for the Funds and Related Funds and/or their investors.

Broader strategic relationships do not constitute "side letters" (even if in the form of a side letter, in whole or in part) and therefore investors will not be entitled to disclosure of, or the benefits of, any such arrangements under any side letter "MFN" provision or otherwise, in each case regardless of an investor's commitments either to the Funds and/or Related Funds.

#### *Favorable Terms Provided to Affiliates and Related Persons*

The employees, business associates, affiliates and other "friends of the firm" of, and investors in, Sixth Street 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 Related to the Valuation of Assets*

We generally determine, in our discretion, the fair value of each Fund's assets and our valuations will generally be final and conclusive. While we follow 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 (or ability to receive) carried interest or other performance-based incentive compensation allocated to the general partners of certain Funds depends on whether the Fund achieves a certain multiple-of-money or rate of return whose calculation depends on the value of the Funds' investments, including unrealized investments; the valuation of unrealized investments will also impact Sixth Street's obligation to repay carried interest or other performance-based incentive compensation received pursuant to "interim clawback" obligations that it has in respect of certain Funds. 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 or other performance-based compensation than if the valuations were lower, or result in the general partner not being subject to an obligation to return any such compensation that it has previously received. Third, as described above in "*Item 5 – Fees and Compensation*" advisory fees payable by certain Funds are based on net assets or gross assets, including on an unrealized basis; higher valuations would generally be expected to result in Sixth Street receiving more advisory fees in respect of such Funds. Fourth, 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. Factors that we may consider in determining the fair value of investments include the nature and realizable value of any assets (or collateral) of the issuer or the borrower, the issuer's or the borrower's earnings and capacity to make debt payments, dividends and/or distributions, the markets in which the issuer or the borrower does business, comparison to similar companies, discounted cash flow and other relevant factors. Fair valuations, and particularly fair valuations of private securities and private companies, are inherently uncertain and may fluctuate over short periods of time. 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 and 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 or the net asset value of the Funds' investments. This fee structure creates an incentive to deploy capital when we would not otherwise have done so. Conversely, under the Governing Documents, we have broad discretion in determining whether and to what extent a disposition has occurred. Such determinations will reflect, among other things, fair value determinations by Sixth Street. We will have a conflict where determining that a disposition has occurred that would reduce the capital invested by the Funds and/or the net asset value of the Funds' investments, and correspondingly decrease the advisory fees paid under the Governing Documents.

In addition to advisory fees, we will generally be entitled to receive a portion of the distributions made by the Funds, or carried interest. Since the amount of carried interest payable to the general partner depends on the Funds' performance, we may have an incentive to approve and cause the Funds to make more speculative investments than

they would otherwise make in the absence of such performance-based compensation. We may also have an incentive to dispose of the Funds' investments at a time and in a sequence that would generate the most carried interest, or the most favorable tax treatment for such carried interest, even if it would not be in the Funds' interest to dispose of the investments in that manner.

Furthermore, distributions to us and to our affiliates or "friends and family" may not be subject to the payment of advisory fees and/or carried interest at the same rate as other investors or at all.

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 company in which a Fund holds a portfolio investment, 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 companies in which such Fund holds portfolio investments that it contract for services or, in providing services to a Fund, directly engage with

- a related person of ours (including a portfolio investment 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*" and by our affiliates, see "*Conflicts Related to Insurance Platform and Related Strategies*."

#### *Conflicts Relating to Related Services*

As described in "*Item 5 – Fees and Compensation*" 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 investments 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 investments, 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 investment. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio investment. Furthermore, 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 Operations Professionals*

We engage operations professionals to assist our investment teams in creating value in portfolio investments. 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 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 companies in which Funds hold portfolio investments 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*”), 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. For more information about Specialized Operational Services, see “*Providers of Specialized Operational Services*” below.
- Our “Senior Advisors” are consultants who generally have established industry and/or regional expertise and are available to assist us with transaction origination, sourcing, due diligence, evaluation, negotiation, development, valuation, structuring, consulting, management, monitoring, disposition or similar matters and to serve on the boards of directors of companies in which Funds hold portfolio investments. 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 company in which a Fund holds a portfolio investment, and fees and carried interest relating to a particular transaction. Compensation from companies in which Funds hold portfolio investments 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 investment, 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 and Other Third Parties*

We maintain business relationships with certain Senior Advisors who we expect to assist or advise us with respect to transaction origination, sourcing, due diligence, evaluation, negotiation, development, valuation, structuring, consulting, management, monitoring, disposition or similar matters and to serve on the board of directors of one or more companies in which the Funds hold portfolio investments. In some cases, such persons are former employees

of Sixth Street or its affiliates or otherwise have close business and personal relationships with Sixth Street or its affiliates and may be provided office space and administrative support or other services by Sixth Street or its affiliates.

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 expenses and expenses of Specialized Operational Services provided by our affiliates, are not typically capped. A Fund (or its portfolio investments) may make payments to a Senior Advisor, and any fees companies in which a Fund holds portfolio investments 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 on behalf of the Funds and their portfolio investments or to convert existing employees to 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.

Senior Advisors are one of several categories of consultants, advisers and similar service providers that Sixth Street, the Funds and/or their respective portfolio investments expect to work with from time to time, along with Servicers, providers of Specialized Operational Services, external managers of platform companies and others. Sixth Street categorizes its consultants, advisers and similar service providers as Senior Advisors, Servicers or other third party relationships in light of the overall relationship with that person and primary services provided. Although the primary services provided by each category of service provider differ, any person engaged as a service provider may provide a broad range of services, some of which overlap with the services provided by other categories of service providers. For instance, both Senior Advisors and Servicers may source transactions for the Funds. A Senior Advisor may be engaged by the Funds to utilize their pre-existing network of business relationships in a particular industry or sector to source portfolio investments for the Fund in that area. Equally, a Servicer providing asset management services to certain portfolio investments within a given industry may source another portfolio investment for the Funds in that same industry in the course of their engagement. Due to the broad and potentially overlapping range of services that third parties may provide to the Funds and/or their respective portfolio investments, Sixth Street's determination to treat a particular consultant, adviser or service provider as a Senior Advisor rather than a Servicer or other category of adviser or vice versa, including in circumstances where a person or the applicable services provided fall within multiple categories of service providers, will often be based on subjective judgments about which reasonable people may differ, and such judgments will remain in our complete discretion. We have developed processes to categorize the various categories of service providers and in the future may use additional or different methods to do so. In addition, Sixth Street may determine the categorization previously applied to a particular person should be changed, including because the nature and scope of such relationships and/or the relevant services provided may change over time. In addition, Sixth Street may be incentivized to categorize certain service providers in one category over another due to the impact it has on our ability to charge the compensation or fees paid to that person to the Funds, particularly where the service provider is an affiliate of Sixth Street or the Funds. 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 company in which a Fund holds a portfolio investment 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.

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 companies in which the Funds and/or Related Funds hold portfolio investments, 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.

In some instances, Senior Advisors may provide operational services to companies in which the Funds hold portfolio investments. Moreover, Senior Advisors may make personal investments in portfolio investments alongside Funds, including in portfolio investments where such persons serve on the relevant company's 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 or advised 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 and the Related 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 "*Providers of Specialized Operational Services*," portfolio investments 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 companies in which Funds hold portfolio investments to Senior Advisors generally do not offset the advisory fees. The Funds would typically be expected to bear such costs indirectly through expenditure of companies in which they hold portfolio investments. 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 investments 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. In addition, the compensation or benefits of Senior Advisors described above may continue after termination of their relationship with Sixth Street, the Funds, their affiliates and/or applicable portfolio investments.

### *Conflicts Relating to Activities and Compensation of Servicers and 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 Servicers, accountants, administrators, lenders, bankers, brokers, attorneys, sourcing persons, consultants, industry experts and other partners, professionals and advisers to provide goods or services to the Funds, including certain strategic partners as described in “*Conflicts Arising from Strategic Business Relationships*” below. As with Senior Advisors, these services may relate to asset management, transaction origination, sourcing, due diligence, underwriting, evaluation, negotiation, development, valuation, structuring, management, monitoring, loan and other asset servicing, disposition or similar matters. 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. The fees to be paid to a Servicer or other third party may be determined at the discretion of the general partner of the relevant Fund, taking into account the assets to be governed by such agreement, may include a profits interest or other incentive-based compensation, and/or may otherwise be determined according to one or more methods, including a percentage of the value of the assets being serviced, the invested capital exposed to such assets, and/or a percentage of cash flows from such assets. We may have an incentive to retain Servicers or other 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 since the costs of such services are generally expected to be borne by the Funds (without offsetting any management fees payable by investors) and/or, for example, because our ability to seek reimbursement from the Funds for special operational services and in-house services may be limited and subject to relevant caps.

Such Servicers or other third parties, or their affiliates, may also be investors in the Funds, affiliates of or sources of investment opportunities for Sixth Street and its affiliates, 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 Servicer or third party 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 Servicers, 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 investments may retain or elect to use in connection with the Funds certain advisors and other service providers, or their affiliates (including accountants, administrators, bankers, brokers, attorneys, consultants and investment or commercial banking firms). Some of these advisors and other service providers, or their affiliates, provide services to or have other relationships with Sixth Street and its related persons, such as being investors in Sixth Street, its affiliates, the Funds or Related Funds, affiliates of or sources of investment opportunities for Sixth Street and its affiliates, the Funds or the Related Funds, portfolio investments of Sixth Street, its affiliates, the Funds or Related Funds or otherwise co-investors with or counterparties to transactions involving the foregoing. While 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, these relationships may influence our decision to select or recommend an advisor or service provider to perform services for the Funds or their portfolio investments (the cost of which will generally be borne directly or indirectly by the Funds or their portfolio investments, 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 investments that are different from and more favorable than those charged in respect of advice and services provided to the Funds and their portfolio investments. Moreover, whereas we typically negotiate on a matter-specific basis the rates or amounts payable for such services, the Funds or their portfolio investments may sometimes pay higher rates or amounts than we would for such services.

As noted in “*Item 5 – Fees and Compensation*”, certain portfolio investments 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 companies in which Funds hold portfolio investments the option to participate in a program with us, our affiliates and other companies in which Funds hold portfolio investments pursuant to which one of our affiliates negotiates favorable procurement arrangements. We and our affiliates, together with participating companies in which Funds hold portfolio investments, receive the favorable procurement terms, which we are able to secure due in part to the involvement of such companies. This program is a Specialized Operational Service provided to participating companies in which Funds hold portfolio investments, 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*” 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 companies, we may disproportionately benefit from it by utilizing the favorable procurement arrangements to a greater degree than any of the participating companies and as a result of not all of the companies availing themselves of the benefits.

#### *Providers of Specialized Operational Services*

The Funds may also reimburse all fees, costs and other expenses (including an allocable portion of annual compensation (including bonus or other cash or profits interests, equity interests or other incentive-based compensation) and overhead expenses (including, but not limited to, benefits)) related to certain Specialized Operational Services rendered in connection with actual or potential portfolio investments, where the company in which the Funds hold the relevant portfolio investment does not directly or indirectly reimburse such costs. These services have been referred to by us as “field operations” or “specialized services” and consist of operational support, regulatory or legal support, specialized operations and consulting services and similar or related services provided by individuals retained by us or our affiliates as employees or third-party consultants in connection with the identification, acquisition, holding and disposition of investments (including potential investments). Such services may also be provided by Sixth Street operations professionals or, with respect to co-investments with affiliates of Sixth Street, affiliated operations professionals. 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 may include, for example, support or analysis regarding:

- the company’s management (including serving in management positions or participating in the determination of corporate strategy), developing operational turnaround or other similar plans;
- the company’s supply chain (including leveraged procurement and logistics/distribution networks);
- marketing and sales strategy, pricing and sales force effectiveness;
- data intelligence;
- finance, accounting and asset management (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 the company’s recruiting efforts and determining executive/incentive compensation);
- information technology;
- corporate communications and public relations (including identifying, curating and developing a network of talent and third-party public relations resources in anticipation of supporting the company’s 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; and
- other similar 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; and (ii) it is performed by an individual or individuals with the relevant experience or expertise. For example, board services would generally not be Specialized Operational Services subject to reimbursement, as they are not generally 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 and may be charged to the Funds.

As noted in “*Item 5 – Fees and Compensation*” and subject to the Governing Documents, portfolio investments 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, as we may determine in our sole discretion.

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 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 will be just as

favorable to the Funds or their portfolio investments 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 Sixth Street TAO Funds and the Sixth Street Agriculture 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, including as set forth in the Governing Documents) to the Sixth Street TAO Funds and the Sixth Street Agriculture Funds, which will dilute the interests of existing investors in prospective investments and in certain existing investments. Investors in the Sixth Street TAO Funds and the Sixth Street Agriculture Funds also have the right under the relevant Governing Documents (subject to certain restrictions) to terminate their obligation to fund new investments (and investors that invested earlier will generally be permitted to do so before investors investing at a later date). If a sufficiently large percentage of such investors elect to terminate their obligations, the relevant Funds will have access to less capital than anticipated and, as a result, may not be able to fully pursue their intended investment strategy or may not be able to diversify investments in the manner anticipated at the time of subscription.

Furthermore, conflicts of interest could arise to the extent different Sixth Street TAO and Sixth Street Agriculture investors hold varying ownership interests (which variances may be material) in different Fund portfolio investments. For example, there may be instances in which the interests of one or more Fund portfolio investments come into conflict (e.g., one Fund portfolio investment purchases an asset from another Fund portfolio investment, or one Fund portfolio investment is a competitor of another Fund portfolio investment), in which case we may make decisions in respect of a particular portfolio investments which are adverse to the interests of investors participating in such portfolio investment, but which benefit investors participating in other portfolio investments to which such corresponding benefits accrue (and which would therefore not arise if investors generally held the same relative interest in each portfolio investment). Similarly, such varying ownership interests between investors could result in conflicts with respect to valuation. For example, there may be circumstances where the Funds have made multiple portfolio investments in the same narrow asset class with each portfolio investment held by different groups of investors (including through a single platform company that has received multiple funding rounds from the Funds). If

we structure a realization of these portfolio investments such that a single purchaser acquires all portfolio investments for one price, we will have sole discretion as to determine the valuation of each individual portfolio investment upon exit, which may favor one group of investors over another. Similar conflicts are also expected to arise in the event that different groups of investors participate in a follow-on investment compared to the group of investors that participated in the original portfolio investment to which such follow-on investment relates, for example if an individual investor is excused, excluded or otherwise does not participate (including as a result of the termination of obligation to fund new investments) in such follow-on investment.

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 companies in which Funds hold portfolio investments and the acquisition of interests in portfolio investments from the Funds. Provided that an investor is not otherwise our affiliate, these types of transactions generally do not require the approval of the advisory committee (or similar body) or investors in the Fund more generally.

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 affiliates, 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 investors more generally. In addition, certain investors that are represented on a Fund’s advisory committee may also serve on advisory committees of other Funds or Related Funds, which may give rise to actual, potential or apparent conflicts of interest. For example, in a transaction between a Fund and another Fund or Related Fund, the advisory committee member may favor such other Fund or Related Fund over those of the relevant Fund if such member’s interests are more aligned such other Fund or Related Fund.

#### *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 companies in which the Funds and/or Related Funds hold portfolio investments, vendors, service providers and vendors or investors in 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) investors in 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 advisory 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 makes investments in companies that in turn seek to originate loans to, or acquire interests in, related companies or assets. We may structure these portfolio investments, 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 or repayments of loans held by it.

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 investments, including similar platform companies of predecessor or successor Funds or Related Funds.

A 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 investments. 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 investments 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 investment 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 its 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 strategic relationships with third parties so that a Fund or Related Fund can take advantage of the expertise of these persons, often in particular industries, sectors and/or geographies. These strategic partners often have close business relationships with us and may 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 investment, including annual salaries and bonuses;
- grants of carried interest generated by a Fund or Related Fund;
- stock option, warrant or equity grants in a company in which a Fund holds a portfolio investment;
- profits interests in a portfolio investments or holding vehicles beneath a Fund or Related Fund; and/or
- other similar payments from us, a Fund or Related Fund or a portfolio investment.

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 have in the past and will in the future participate in the Funds and Related Funds, directly or indirectly, and therefore indirectly participate 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 (but does not eliminate) 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.

Sixth Street professionals could also have an incentive to dispose of the Funds’ investments at a time and in a sequence that would generate the most carried interest, even if it would not be in the Funds’ interest to dispose of the investments in that manner. In addition, tax reform enacted in 2017 has generally increased to three years the holding period required in order for professionals to treat carried interest as long-term capital gain. Although the Governing Documents give us certain rights which may mitigate the impacts of tax reform in this regard, it may nonetheless create an incentive for Sixth Street professionals to hold the Funds’ 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 Funds’ interest to hold the investments for shorter periods.

Furthermore, any investments made by us, our related persons or our “friends and family” generally pay no or reduced advisory fees or carried interest.

### *Conflicts Arising from Service by Our Professionals on Boards of Directors and Creditors' Committees*

Our professionals may serve on the boards of directors and creditors' committee of or relating to companies in which we, the Funds or Related Funds hold portfolio investments, including by virtue of the governance agreements we negotiate with portfolio investments in connection with an investment. While these roles should generally advance the interests of the Funds, the professionals' fiduciary or similar duties to the company or its other creditors, as applicable as directors or members of the creditors' committee may conflict with the Funds' interests. For example, notwithstanding certain waivers of freedoms that the Funds may be successful in negotiating, it may nonetheless be inconsistent with a professional's fiduciary duties to share information he/she receives regarding the relevant portfolio investment with Sixth Street personnel overseeing an investment in a different portfolio investment even though that information would be beneficial to the other portfolio investment and hence some Funds.

### *Conflicts Arising from Interactions with Portfolio Investments*

Portfolio investments 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 investments, even if we have a significant economic interest in a portfolio investment and/or ultimately control it through our control of the relevant Fund or Related Fund. For example, in the event that a Fund or one of its portfolio investments enters into a transaction with a portfolio investment of a Related Fund, such transaction generally would not require any advisory committee or investor disclosure, review or consent or trigger other provisions of the Governing Documents typically 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 another Fund's or Related Fund's portfolio investment in exchange for advisory, consulting or other similar services will not generally reduce or offset the advisory fees or carried interest payable to Sixth Street. 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 required to be offered to the Funds. 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 the Funds to the platform companies before the Funds.

Given the collaborative nature of our business (and the business of our affiliates) and the companies in which some Funds or Related Funds have made portfolio investments, we or Related Funds from time to time recommend the services of a portfolio investment to other portfolio investments. 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 investments 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 investments held by the Funds or the most favorably priced.

From time to time Funds and/or certain companies in which they have made portfolio investments 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 investments 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 investments) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that we will favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person. Portfolio investments of Funds also could be counterparties or participants in agreements, transactions or other arrangements with portfolio investments 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 investments 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 relevant 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 company (for example, entering into a joint venture with a portfolio investment or making a proprietary investment in a portfolio investments).

### *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.

Companies in which a Fund holds portfolio investments and that are controlled by a Fund from time to time provide services to certain Fund or Related Fund investors. We have an incentive to cause the company to favor those investors relative to other clients or customers of companies in which Funds hold portfolio investments in terms of pricing or otherwise, which could adversely affect such companies' profitability. Additionally, the 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 a Fund and Related Fund, partners in those firms or entities affiliated with those firms may be investors in such Fund or Related Fund, other Funds or Related Funds, and may also represent one or more companies in which such Fund or Related Fund holds portfolio investments or limited partners of such Fund, other Funds and/or Related Funds. Additionally, we and the Funds and the companies in which the Funds hold portfolio investments 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 companies in which the Funds hold portfolio investments, on the other hand, in determining whether to engage such service providers, including the possibility that we will favor the engagement or continued engagement of such persons if we receive a benefit from such service providers, such as lower fees, that we would not receive absent the engagement of such service provider by the Funds and/or such companies.

### *Conflicts Related to Strategic Transactions*

Sixth Street 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 transactions involving the receipt of debt

or equity financing. In the event that we, any of our affiliates or any other related 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. The general partner may alternatively determine to seek the consent of investors for any such assignment in lieu of seeking the advisory committee's consent.

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 certain of these persons 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-parties, including but not limited to 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 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 may be otherwise determined according to one or more methods, including a percentage of the value of the assets being serviced, the invested capital exposed to such assets, and/or 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 companies in which the Funds hold portfolio investments may utilize the services of additional Servicers, some of whom may be affiliated with us or comprise portfolio investments of another Fund or Related Funds. To the extent any such Servicer receives fees from its clients, including a Fund or any of its companies in which it holds portfolio investments, 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 of a Fund, or its affiliates, from time to time may receive distributions in kind from an investment disposition by a Fund. In the event the general partner of a Fund, 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, 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, vague, ambiguous or conflicting, and may 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.

In addition, questions may arise as to whether a proposed transaction or arrangement must be disclosed to or approved by the advisory committee (or an equivalent body) of a Fund and determinations as to meaning of "portfolio investment", materiality or adversity, or whether a particular matter involves an actual or potential conflict of interest and other similar interpretations to be made by the general partner under the Governing Documents, so as to determine whether a transaction must be disclosed to, or approved by, the advisory committee, are often subjective judgments about which reasonable people may differ and such judgments will remain in our complete discretion. For example, we have interpreted, and in the future expect to continue to interpret, "portfolio investment" or "investment" as referring variously to a particular company (*i.e.*, the underlying issuer or borrower in relation to an investment) or a particular security or loan, and such determination may vary between transactions or investments to the extent we believe there is a reasonable basis for adopting a particular interpretation or otherwise distinguishing between transactions. In addition, certain of the provisions of the Governing Documents described above require consideration of whether a particular investment is "material". In making determinations as to whether any investment is "material" we will seek to take into account such facts and circumstances as we consider relevant, but will generally consider whether such investment is material to the applicable Fund or investor holding the investment. Although we expect such judgments to be highly fact-dependent, we would generally expect that investments representing less than five per cent of a particular Fund's assets under management, net asset value or aggregate capital commitments would not

be material to that fund for purposes of such determination. We may also conclude that investments in excess of such amounts or thresholds are not material to either the relevant fund, investor or investee company, or conversely that investments below such thresholds are material, in each case having regard to such facts and circumstances as we consider relevant. The specific weight ascribed to the factors or criteria we consider in making such determinations is expected to vary across investments or transactions and may evolve over time. In exercising our judgment with respect to such determinations, Sixth Street may make determinations that, in retrospect, were based on incomplete or otherwise imperfect information, which would increase the likelihood that a conflict of interest could adversely impact a Funds.

We do not generally expect to seek consent from, or otherwise consult, the advisory committee or investors more generally before an interpretation is adopted, even where the interpretation we adopt is the interpretation that is most favorable to Sixth Street and/or its affiliates. While we will endeavor to 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 may not be, and need not be, the interpretations that are the most favorable to the Funds or most investors.

#### *Conflicts Relating to the Termination of Certain Commitments*

We generally have the ability, with the consent of the advisory committee of the relevant Fund, to terminate the commitment periods of Funds in the event that we determine that there are insufficient business opportunities consistent with the business objectives of the relevant Fund. Moreover, in respect of certain capital commitments to the Sixth Street TAO Funds, the general partner of the applicable Fund is expected, in its sole discretion and for any reason, to have the ability to terminate the commitment period of all or a portion of such capital commitments, and the relevant Governing Documents applicable to certain contingent capital commitments that we have raised in the past and may raise in the future, generally give us the ability to terminate all or any portion of investors' unactivated capital commitments at any time.

In each case, investors' terminated commitments or Funds whose capital commitment has been terminated, would no longer be entitled to participate in new investments. The primary circumstance in which the general partner of a Fund would expect to effect such a termination is where it determines market conditions no longer, or are not expected to, provide for a favorable environment to deploy some or all of the relevant capital commitments. However, there can be no assurance that the investment environment will not, in hindsight, prove to have been an advantageous investment environment that could have allowed for the deployment of the relevant commitments. In addition, investors will generally pay management fees prior to the occurrence of any such termination, including in certain cases a portion charged on the basis of unused capital commitments and investors will not receive a rebate in the event of any such termination, and will continue to pay management fees on invested capital following the termination of their commitment period. As such, the general partner of the relevant Fund will be subject to certain conflicts of interest in connection with such a determination.

#### *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.

The BD Affiliate may also, in some cases, act as a broker in transactions on behalf of Funds. However, the 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***

From time to time we effect cross transactions between Funds (a "cross-fund transaction"). 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 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 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 involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds.

Cross-fund transactions may be more common for CLOs and SMAs 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. Governing Documents of SMAs may similarly contain highly specific portfolio criteria requirements. We may authorize a cross-fund transaction where the transaction assists a CLO or SMA in complying with its portfolio restrictions. For example, a CLO or SMA may benefit from an asset sale or purchase through an improvement in its compliance with tests set forth in the indenture or Governing Documents while another CLO or SMA may similarly benefit from the corresponding purchase or sale of the same asset. In other circumstances, a CLO or SMA may be required to sell an asset with limited liquidity (whether as a result of failing compliance with tests set forth in the indenture or Governing Documents, a wind-down or liquidation of an account or otherwise) while another CLO or SMA may benefit from the corresponding purchase of the same asset.

In the event that we do effect cross-fund transactions between 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.

For additional information regarding transactions between Funds, including a discussion of related conflicts of interest, please see *"Item 11 – Brokerage Practices"*, under *"Cross Trades and Transactions"* and *"Conflicts Related to Transactions with Other Funds or Related Funds."*

### ***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, 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 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*”, we and our related persons, in certain instances, receive discounts on products and services provided by companies in which the Funds hold portfolio investments and/or the customers or suppliers of such companies.

## **ITEM 15 – CUSTODY**

Not applicable.

## **ITEM 16 – INVESTMENT DISCRETION**

Pursuant to the Advisory Agreement of each Fund and certain Co-Investment Vehicles (including Co-Investment Vehicles formed to participate in multiple investments, whether on an opportunistic or a systematic basis), 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 Governing Documents of such Fund or Co-Investment Vehicle.

For some Co-Investment Vehicles or other Funds (including SMAs) established for a single investor, we may negotiate the level of investment discretion with the client at the outset of the advisory relationship. Some other Co-Investment Vehicles are established to invest alongside one or more Funds in one or more particular investment opportunities and because such Co-Investment Vehicles are 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.

Compliance is responsible for monitoring proxy decisions for any actual or perceived conflicts of interests. When Compliance deems it appropriate in its sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, 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 (469) 621-3001 or by writing to Sixth Street Advisers, LLC, Attn: Chief Compliance Officer, at 2100 McKinney Avenue, Dallas, Texas 75201.

#### **ITEM 18 – FINANCIAL INFORMATION**

Not applicable.

#### **ITEM 19 – REQUIREMENTS FOR STATE REGISTERED ADVISERS**

Not applicable.