

# **TPG Solutions Advisors, LLC**

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Part 2A of Form ADV: Firm Brochure  
July 1, 2021

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

**Additional information about TPG Solutions Advisors, LLC also is available on the Securities and Exchange Commission's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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

## **ITEM 2 – MATERIAL CHANGES**

This brochure, dated July 1, 2021, updates our prior brochure dated February 17, 2021. This brochure contains updates regarding payments of fees and expenses by advisory clients and portfolio investments, risk factors and conflicts of interest related to the addition of TPG GP Solutions Management, LLC and NewQuest Holdings (Cayman) Limited as relying advisers.

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#### **ITEM 4 – ADVISORY BUSINESS**

For purposes of this brochure, “we,” “us” and “our” refer to TPG Solutions Advisors, LLC, together (where the context permits) with our subsidiaries and affiliates that provide investment advisory services, including those that serve as general partners of the Solutions Advisors Vehicles (as defined below).

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

- We provide investment advisory services to pooled investment vehicles that are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”), which we refer to collectively as the “Funds.”

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

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

The Funds include both investment vehicles advised by TPG GP Solutions Management, LLC (the “TPG GS Funds”) as well as investment vehicles advised by NewQuest Holdings (Cayman) Limited or one of its affiliates or subsidiaries (the “NewQuest Funds”).

- From time to time, we may also form capital around particular or multiple investment strategies or themes, or establish, on a transaction-by-transaction basis, investment vehicles, separately managed accounts 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.

*Organization.* TPG Solutions Advisors, LLC was formed as a Delaware limited liability company in 2021 and is part of a private investment firm originally founded in 1992, which we refer to, together with its affiliates, including us, as “TPG.” Our ultimate principal owners are, indirectly, David Bonderman and James Coulter. TPG GP Solutions Management, LLC was formed as a Delaware limited liability company in 2021 and is wholly owned by TPG Solutions Advisors, LLC. NewQuest Holdings (Cayman) Limited was formed as a Cayman Islands exempt company with limited liability in 2018. The ultimate principal owners of NewQuest Holdings (Cayman) Limited are, indirectly, David Bonderman and James Coulter.

*Nature of Advisory Services.* As an investment adviser, we identify investment opportunities and participate in the acquisition, management, monitoring and disposition of investments for each Solutions Advisors Vehicle. We primarily provide investment advisory services related to private equity investments through secondary transactions, including investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Solutions Advisors Vehicles, managing and monitoring the performance of such investments and disposing of such investments. (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 Solutions Advisors Vehicle pursuant to a separate investment advisory agreement, each of which we refer to as an “Advisory Services Agreement.” Each Solutions Advisors Vehicle’s Advisory Services Agreement sets forth the terms of the investment advisory services we provide to the Solutions Advisors Vehicle, including any specific investment guidelines or restrictions. Investment guidelines for each Solutions Advisors Vehicle, if any, are generally established in its organizational or offering documents, the Advisory Services Agreement and/or side letter agreements negotiated with its investors. We provide investment advice directly to the Solutions Advisors Vehicles, and not individually to the investors in the Solutions Advisors Vehicles.

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

*Amount of Client Assets.* As of March 31, 2021, 2021, we managed \$2,547,785,231 in client assets, all on a discretionary basis.

## **ITEM 5 – FEES AND COMPENSATION**

*Fees Generally.* We generally charge asset-based investment advisory fees (which in other contexts we commonly refer to as “management fees”) to the Solutions Advisors Vehicles. Advisory fees paid by a Solutions Advisors Vehicle are indirectly borne by its investors. Such investment advisory fees are deducted from Solutions Advisors Vehicle assets and generally payable quarterly or semi-annually in advance, depending upon the Solutions Advisors Vehicle. The amount of any investment advisory fee is prorated for periods of less than a full billing cycle at the beginning or end of our provision of investment advisory services, and any prepaid amount in excess of the prorated fee will be returned upon termination of our investment advisory services. To the extent the base upon which we charge advisory fees changes during the course of the relevant period (e.g., due to an increase/reduction in actively invested capital), we generally are not required to make any adjustment, true-up or refund. As a result, we have an incentive to time the termination of the applicable Solutions Advisors Vehicle’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 Services Agreements generally impose some restrictions on a Solutions Advisors Vehicle’s ability to terminate the agreement. The specific restrictions vary depending on the nature of the Solutions Advisors Vehicle.

We establish and negotiate with investors in the applicable Solutions Advisors Vehicle the precise amount of, and the manner and calculation of, the advisory fees. Such Solutions Advisors

Vehicle's Advisory Services Agreement, organizational documents, offering documents and/or other documentation, which we refer to collectively as, together with any applicable side letters, the "Governing Documents," set forth the precise amount of, and the manner and calculation of, the advisory fees.

Certain investors in a Fund, including, for example, a Fund's general partner, its affiliates and certain "friends of the firm" (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles), pay reduced or no advisory fees at our discretion (though these investors generally pay their pro rata share of certain Fund expenses).

Please see Item 11 for a description of the side letter agreements we and our Related Advisers (as defined below) enter into with certain investors in Solutions Advisors Vehicles that provide such investors with customized terms, including with respect to reduced advisory fees.

Please see Item 6 for more information on incentive compensation.

*Fund Expenses Applicable to TPG GS Funds.*

In addition to the investment advisory fees described above,

- certain Funds reimburse us or our affiliates for certain organizational expenses, generally up to a specified cap, that are incurred in connection with the formation of the Funds and the offering of interests in them to potential investors, including
  - fees and expenses of counsel, including for preparing offering materials and preparing and negotiating the Governing Documents and other documents such as engagement letters for placement agents;
  - travel and related expenses incurred in connection with meetings with prospective investors regarding possible investments in the Funds;
  - printing, legal, capital raising, accounting, regulatory compliance (including the initial compliance contemplated by AIFMD or any similar law, rule or regulation) and any administrative or other filings (including the preparation, distribution or filing of any filings or reports contemplated by AIFMD or any similar law, rule or regulation); and
  - other expenses related to a Fund's formation;
- each Fund, and hence all of its investors, also generally bears all of the expenses incurred in relation to its activities, operations, meetings and eventual liquidation (other than expenses resulting from the fraud, gross negligence or willful misconduct of us or its

general partner), including, to the extent provided in the particular Fund's Governing Documents, expenses, costs and fees

- incurred in connection with discovering, investigating, pursuing, negotiating and structuring of investment opportunities (whether or not the investment is consummated) and making investments, including, for example
  - fees, costs and expenses associated with the organization, operation, administration, restructuring or winding-up, dissolution and liquidation of any subsidiaries, special purpose vehicles or alternative investment vehicles ("AIVs");
  - legal fees for drafting and negotiating agreements related to the making, financing, refinancing or restructuring of an investment, conducting due diligence and securing regulatory approvals;
  - fees of accountants that provide due diligence and other services;
  - fees of tax specialists that advise on the structuring of an investment;
  - fees of investment banks and related bank charges, placement, syndication and solicitation fees, arranger fees, sales commissions, investment, execution, closing and administrative fees, costs and expenses;
  - fees of advisors, consultants and other third-party service providers that advise, among other things, on various aspects of sourcing, investigating and pursuing possible investments, including industry and subject-matter experts;
  - fees and expenses relating to potential but not consummated investments, including costs that could have been allocated to prospective co-investors (including affiliated co-investors) had the deal been consummated;
  - organizational expenses relating to potential portfolio investments that a Fund ultimately does not invest in; and
  - fees and expenses related to the travel of our employees including airfare, hotel and meal expenses;
- incurred in holding, developing, operating, managing, financing, refinancing, monitoring, restructuring and disposing of investments, which can include amounts incurred in pursuing secondary liquidity transactions on behalf of a Fund or its assets, whether or not consummated;
- related to a Fund's borrowing, such as interest, commitment fees, upfront fees, legal fees, structuring fees and underwriting fees, fees in connection with margin loans and total return swaps and other fees and expenses;

- related to conferences and other professional development activities for Portfolio Investment executives (including those we organize);
- related to business development activities, including meals and events;
- of
  - custodians,
  - depositaries (including a depositary appointed pursuant to the AIFMD or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction),
  - advisors (including Senior Advisors (as defined below)),
  - consultants (including, but not limited to, consulting fees incurred by a Fund for the benefit of directly-held portfolio companies, portfolio investments and portfolio companies of portfolio investments (which we refer to collectively as “Portfolio Investments”)),
  - economists,
  - sourcing persons,
  - brokers (including brokerage commissions and prime brokerage fees)
  - intermediaries,
  - administrators (and/or similar persons to provide services in connection with anti-money laundering and “know your client” matters),
  - valuation firms,
  - lawyers and legal professionals,
  - tax professionals,
  - accountants,
  - auditors and
  - other professionals for services rendered to a Fund

(in each case, regardless of whether TPG employees have provided similar services to the Fund or Related Funds (as defined below));



- relating to advisory committee meetings and activities (or meetings and activities of a similar body), including
  - venue expenses,
  - fees, costs and expenses associated with any legal counsel or other third-party service providers or advisors, and
  - travel of the members of the Fund’s advisory committee (or similar body);
- relating to other meetings of Fund investors in connection with the Fund, including venue expenses, and fees, costs and expenses associated with any legal counsel or other third-party service providers or advisors;
- relating to the travel of our employees in connection with the Fund’s advisory committee (or similar body) or investor meetings and other Fund-related travel;
- for insurance coverage, including general partner liability/director and officer insurance, and crime/fidelity insurance (see “*Item 11 – Allocation of Other Fees and Expenses*”);
- information technology system expenses, including the costs of acquiring, developing, implementing and maintaining computer software (including, but not limited to, specialty and custom software) and hardware and other technological systems for the benefit of a Solutions Advisors Vehicle (including third-party diligence software and service providers);
- of any administrator and valuation experts (including in relation to calling capital from and making distributions to investors, the administration of assets, financial planning and treasury activities);
- relating to administrative and accounting services (including investor information databases) and the creation of financial reports and other responses to reporting requests from investors, including the costs incurred to audit and provide access (whether through the Fund’s website or other portal) to such reports and any other related operational, secretarial or postage expenses;
- relating to Foreign Office Services (as defined below);
- relating to compliance with tax or regulatory requirements applicable to a Fund or AIVs (including the preparation and delivery of Fund financial statements, tax returns, Schedule K-1s or equivalent forms and registration as a “private fund” with the Cayman Islands Monetary Authority under the Cayman Islands Private Funds Law, 2020 (as amended)) and the preparation and submission of regulatory filings;
- all fees, costs and other expenses relating to the implementation of, and compliance with, legal, regulatory, environmental, social, governance and other similar

standards applicable to a Fund, its investments and potential investments, including any related requirements set forth in one or more side letters;

- relating to the maintenance of TPG's Luxembourg and Singapore offices (including office rent and salaries and other personnel expenses), and the establishment and maintenance of other non-U.S. offices or arrangements, where professionals perform certain local services in connection with the management of non-U.S. investments, including structuring, negotiation, execution, administration and monitoring activities;
  - for litigation or arbitration 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 expenses incurred by partnership representatives and, to the extent applicable, tax matters partners, in each case acting in such capacity);
  - relating to compliance (or monitoring compliance) with the Governing Documents including the preparation and distribution of side letters, definitive documents and other materials to investors as "closing sets" or other post-closing distributions, and the preparation of internal manuals, summaries, guides and other documents to facilitate our compliance with and organization of our Fund- related documents;
  - consisting of taxes, fees or other governmental charges levied against the Fund, an AIV or a Fund's subsidiaries;
  - relating to winding up, liquidating or dissolution of the Fund;
  - relating to any amendments, restatements or other modifications to the Governing Documents, including the solicitation of any consent, approval, waiver or similar acknowledgement from investors and/or the Fund's advisory committee (or similar body) and preparation of related materials;
  - for clearing and settlement charges; and
  - not specifically identified in the Governing Documents as being borne by us; and
- certain Funds reimburse us or our affiliates for certain expenses, including, among other things, expenses related to in-house services (as described below) and employees or consultants providing operational support, regulatory or legal support, specialized operations and consulting services and similar or related services (as described below – see *"Item 11 – Providers of Specialized Operational Services to Portfolio Companies"*) to the

Solutions Advisors Vehicles or their Portfolio Investments. These expense reimbursements are generally disclosed to investors.

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

Some expenses are incurred on an aggregate basis for the benefit of multiple Solutions Advisors Vehicles, Related Funds and/or TPG. We allocate the aggregate costs of these items across the applicable Solutions Advisors Vehicles, Related Funds and TPG in a manner we determine to be reasonable and fair in our sole discretion. Generally, the allocation method across multiple Solutions Advisors Vehicles or Related Funds is pro rata in accordance with assets under management, but we may vary this approach in particular instances if we believe another method is more equitable. For instance, when allocating amounts (including firm-wide insurance) to TPG, TPG's allocable portion may be based on some other metric and may be a fixed percentage that we determine to be equitable. See "*Item 11 – Allocation of Other Fees and Expenses*" for more information.

In addition, although some expenses are incurred on behalf of a Solutions Advisors Vehicle, they are likely to benefit other Solutions Advisors Vehicles, Related Funds or TPG more broadly. For example, information TPG obtains in connection with a Solutions Advisors Vehicle's research, due diligence and investment activities will be valuable to other Solutions Advisors Vehicles and Related Funds. Furthermore, tools and resources developed at a Solutions Advisors Vehicle's expense will be the intellectual property of TPG and not the Solutions Advisors Vehicle. If TPG licenses or sells their intellectual property to third parties in the future, the relevant Solutions Advisors Vehicle will not benefit from such license or sale.

For information on brokerage practices, see Item 12 below.

#### *Fund Expenses Applicable to NewQuest Funds.*

In addition to the investment advisory fees described above,

- 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
  - legal, accounting, filing and other expenses related to a Fund's formation;
- each Fund, and hence all of its investors, also generally bears all of the expenses incurred in relation to its activities, operations, meetings and eventual liquidation, including, to the extent provided in the particular Fund's Governing Documents,
  - expenses, costs and fees of counsel, accountants, custodians, administrators, servicers and other consultants and professionals;
  - fees, costs, expenses (including travel expenses), liabilities and obligations incurred in

- all expenses incurred in organizing, developing, negotiating and structuring prospective Portfolio Investments that are not ultimately made,
  - structuring, organizing, acquiring, financing, refinancing, managing, operating, holding and valuing consummated Portfolio Investments,
  - trading, settling, monitoring, holding and disposing of investments (including any financing, legal, accounting, advisory and consulting expenses, and any other similar professional fees, in connection therewith (to the extent we are not reimbursed by a portfolio company or other third parties or capitalized as part of the acquisition price of the transaction)),
  - any similar amount incurred in connection with the formation, operation or windup of an alternative investment vehicle and/or any Portfolio Investments made thereto;
- brokerage commissions, prime brokerage fees, custodial expenses, agent bank, other bank service fees and any professional fees, and other investment costs, fees and expenses incurred in connection with making, holding, settling, monitoring, hedging or disposing of Portfolio Investments;
  - interest on and fees, costs and expenses (including professional fees) arising out of all financings entered into by a Fund, including, but not limited to, those of lenders, investment banks and other financing sources;
  - the costs of any litigation, D&O liability or other insurance and indemnification or extraordinary expense or liability (including professional fees) relating to the affairs of a Fund and its affiliates to the extent such affairs relate to the business of the Fund;
  - all costs and expenses incurred in connection with the winding up and dissolution of a Fund;
  - any taxes, fees or other governmental charges levied against a Fund (other than amounts reimbursed by, or treated as distributed to, an investor) and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund;
  - costs and expenses derived from or pursuant to the implementation of, and compliance with, any regulatory requirements applicable to the Fund, its general partner or us in relation to the Partnership and/or Investments;
  - the expenses of the LP Advisory Committee and meetings of Partners (including all out of pocket fees, costs and expenses incurred by the Partnership, the General Partner, the Advisor or their affiliates in connection with such meetings and any other conference or meeting with any Partner(s));

- unreimbursed costs and expenses incurred in connection with any transfer of limited partner interests;
- costs and expenses of the general partner incurred in providing assistance to a successor general partner following a removal of the general partner;
- any activities with respect to protecting the confidential or non-public nature of any information or data; and
- fees, costs and expenses associated with operating a feeder fund (to the extent such expenses are not borne by the underlying beneficial owners of such feeder fund).

*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 and co-investment (including reverse termination fees, organizational expenses of a portfolio investment, 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 (including affiliated co-investors). 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, reimbursements for Specialized Operational Services (as defined below – see "*Item 11 – Providers of Specialized Operational Services to Portfolio Companies*") or non-advisory administrative fees similar to those described above for the Funds.

*Fees for Services Provided to Portfolio Companies.* In addition, we or our affiliates, including the general partners of the Solutions Advisors Vehicles, receive fees related to the making, disposition or management of investments by the Solutions Advisors Vehicles ("Related Services"), including the following.

- With respect to the TPG GS Funds:
  - acquisition and disposition fees;
  - monitoring fees (which may be accelerated in certain circumstances as described below);
  - directors' fees;
  - financial consulting fees;
  - advisory fees;

- organization, financing, divestment and topping fees;
  - break-up fees received in connection with the termination, cancellation or abandonment of a potential investment;
  - commitment fees;
  - origination fees; and
  - any other fees earned on or relating to the making, disposition or management of investments.
- With respect to the NewQuest Funds:
    - commitment fees;
    - monitoring fees;
    - organizational and set-up fees;
    - advisory fees;
    - investment banking, underwriting and syndication fees;
    - directors' fees in respect of securities owned by a Fund (including warrants, options, derivatives and other rights in respect of securities owned by a Fund);
    - other similar fees in connection with the purchase, monitoring or disposition of Portfolio Investments by a Fund; and
    - break-up, topping, termination and other similar fees payable in connection with unconsummated transactions by a Fund.

Governing Documents generally allow us to receive fees for Related Services from a Solutions Advisors Vehicle's Portfolio Investments, and we expect to receive such fees over the life of a Solutions Advisors Vehicle. The amount, structure, timing and other terms of any fee for Related Services will vary depending on the terms of our agreement with each Portfolio Investment. Some fees for Related Services are payable upon closing of a particular transaction or other events, whereas other fees are payable in annual installments, with the possibility that those annual payments accelerate upon specified events. The accelerated fees paid by Portfolio Investments for Related Services in these situations may be significant. In general, we typically do not negotiate such fees with Portfolio Investments on an arm's-length basis. Fees for Related Services could adversely affect a Portfolio Investment's financial performance.

Although these fees for Related Services are in addition to the advisory fees, we will in some circumstances be obligated to reduce the amount of advisory fees paid by the applicable Solutions Advisors Vehicle by an amount equal to all or a portion of such fees for Related Services. The specific amount and nature of this reduction varies among Solutions Advisors Vehicles and is

generally set forth in the Governing Documents of the applicable Solutions Advisors Vehicle. Furthermore, a Solutions Advisors Vehicle will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee allocable to another entity, including, if applicable, another Solutions Advisors Vehicle, Related Fund or other co-investor. As some Solutions Advisors Vehicles do not pay advisory fees (*e.g.*, certain Co-Investment Vehicles) or do not have offset provisions requiring the reduction of advisory fees, we will retain fees for Related Services allocable to these Solutions Advisors Vehicles without reduction.

With respect to certain Funds, 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:

- 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, finder, broker and/or investment bank (as the third-party fee is not a fee that we are entitled to retain);
- any profits interests or other compensation or amounts payable by a Portfolio Investment or a Solutions Advisors Vehicle 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 TPG, regardless of when the interests, compensation or amounts crystallize or vest;
- any amounts paid by a former portfolio company, such as directors' fees a former portfolio company pays one of our professionals who remains on the company's board of directors following the relevant portfolio investment's disposition of its investment in the company;
- any underwriting, private placement, arranging or similar broker-dealer fees, discounts or commissions paid by portfolio companies or portfolio investments to TPG Capital BD, LLC ("TPG BD"), our broker-dealer affiliate (as described below – see "*Item 5—Fees Received by TPG Capital BD, LLC*");
- the portion of any fee allocable to a co-investor or other Solutions Advisors Vehicles or Related Funds (even if it is received by a Solutions Advisors Vehicle 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 to Portfolio Companies*");
- any fee paid to a co-underwriter or co-sponsor of an investment;
- any amounts a Solutions Advisors Vehicle's advisory committee consents not to treat as portfolio fees;
- carried interest, advisory fees or other fees received by an affiliate of the general partner from Portfolio Investments or other parties (other than a Fund) who hold interests in Portfolio Investments; and
- reimbursement payments from Solutions Advisors Vehicles in respect of in-house services or Foreign Office Services (as described below).

In addition, we, or our employees on our behalf, expect to receive stock of certain Portfolio Investments as a fee for Related Services due to the service of our employees on the boards of such Portfolio Investments. Although such fees may be subject to offset as described above, the recipients (including us) of such stock generally will be able to determine the timing of the stock's disposition, which creates in certain circumstances a conflict of interest between us, as an adviser to the Solutions Advisors Vehicle, and our related persons, on the one hand, and the Solutions Advisors Vehicle, on the other.

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, Solutions Advisors Vehicles and/or other entities. In such circumstances, with respect to certain Solutions Advisors Vehicles, 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 sharing arrangements described above. We describe these relationships further below. See “*Item 11 — Conflicts Relating to Activities and Compensation of TPG Operations Professionals*,” “*Item 11 — Conflicts Relating to Activities and Compensation of Senior Advisors*” and “*Item 11 — Activities and Compensation of Other Third Parties*.”

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

*Certain In-House Services.* Certain Solutions Advisors Vehicles pay or reimburse us for the fees, costs and other expenses related to certain legal, regulatory, tax, accounting, information technology and similar services (including all fees, costs and other expenses relating to the implementation of, and compliance with, legal, regulatory, environmental, social, governance and other similar standards applicable to the Solutions Advisors Vehicle, its investments and potential investments, which we refer to as “Portfolio Compliance”) provided by us or an affiliate to or for the benefit of the Solutions Advisors Vehicle (including an allocable portion of personnel and related overhead expenses) if certain conditions are met, which generally include:

- the fees, costs and other expenses of these services would be paid by the Solutions Advisors Vehicle if the services were provided by third-party service providers;
- we reasonably believe it is in the Solutions Advisors Vehicle's best interests to have in-house personnel perform such services; and
- the costs of providing such services in-house are less than the amount that would be charged by a third party in an arm's-length transaction.

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

Occasionally, whether a service meets the criteria for reimbursement from a Solutions Advisors Vehicle is not clear. In such circumstances, we will determine in our sole discretion whether reimbursement is appropriate.



From time to time, our in-house professionals work alongside third-party service providers on the same matter or engagement. When this occurs, although a third party is also engaged on the matter, a Solutions Advisors Vehicle is still expected to reimburse us for the work performed in house to the extent we determine that the in-house work meets the criteria for reimbursement.

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., TPG employee or other affiliate) to reflect the services he or she provided to Solutions Advisors Vehicles 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 TPG 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 Solutions Advisors Vehicles and Related Funds that bear expenses relating to in-house services. For time allocated to a Solutions Advisors Vehicle, 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. In the future, we could use additional or different methods to allocate in-house expenses.

*Foreign Office Services.* Non U.S. vehicles and Portfolio Investments of certain Funds from time to time receive operational, investment monitoring and risk management, director (or analogous function), entity administration, legal, regulatory, tax, accounting and similar services from TPG's Luxembourg, Singapore and other non-U.S. offices, if applicable. We refer to such services provided by such non-U.S. offices as "Foreign Office Services." Certain non-U.S. vehicles of a Fund and Portfolio Investments receiving Foreign Office Services are expected to reimburse our relevant affiliates for the allocable share of the expenses incurred by such affiliates in providing Foreign Office Services to it (including any value added taxes or other sales taxes thereon). Reimbursements include personnel and related overhead expenses related to Foreign Office Services, including establishment costs of any new applicable non-U.S. offices, but do not include any amounts incurred in performing the investment advisory functions (e.g., the services customarily performed by investment professionals), which will not be reimbursable. These reimbursements will not constitute fees for Related Services and will not be shared with a Fund or the investors in a Fund or reduce the advisory fee payable by any investor in a Fund. We are developing processes for the allocation of Foreign Office Services expenses, and currently expect they will be similar to the in-house services processes described above. We could use additional or different allocation methods over time.

*Overhead.* In calculating reimbursement amounts for Specialized Operational Services, in-house services and Foreign Office Services, we include an estimate of overhead costs for the individuals providing the services. Our estimate sometimes varies depending on the nature and location of the work being performed. Overhead charges currently include:

- location costs: rent and other office costs, such as electricity, facilities services, catering charges and property taxes;
- administrative costs: administrative personnel costs;
- IT costs: information technology costs relating to hardware, software and technology costs of our infrastructure;
- HR and recruiting costs: in-house human resource-related costs, and expenses paid to third-party talent agencies for recruiting; and
- research-related costs: research costs and other miscellaneous expenses associated with items such as subscriptions to trade journals and databases.

We review our overhead estimates on a periodic basis, typically annually. We may change our overhead methodology over time.

*Travel Expense Reimbursements.* As described above, certain Funds reimburse us for Fund-related travel expenses of our personnel, including travel relating to a Fund’s organization, investment activities, investor conferences and advisory committee meetings. Travel reimbursements currently include items such as:

- hotel accommodations and other forms of lodging;
- air and ground transportation;
- meals; and
- incidental travel expenses.

We expect some of the Fund-related and Portfolio Investment-related travel, and the reimbursements we receive, to include “business class,” “first class” or other forms of premium travel and accommodation. In addition, we and our personnel will from time to time receive personal benefits and perquisites arising from Fund-related, including special credits and discounts provided from service providers. For example, airline travel or hotel stays may result in frequent flyer or loyalty “miles” or “points” for use by us and our personnel. These benefits will not be shared with the Fund or Portfolio Investments and will not offset the advisory fee.

*Compensation Received by TPG Capital BD, LLC and Related Entities for Capital Markets Activity.* Our affiliate TPG BD is a broker-dealer registered with the U.S. Securities and Exchange Commission (the “SEC”) and a member of the Financial Industry Regulatory Authority (“FINRA”).

TPG BD and related entities typically receive compensation for the services we provide in connection with capital markets services. See “*Participation of TPG BD and Related Entities in Capital Markets Activity*” in Item 11 for additional information on such compensation and related conflicts of interest.

While we believe such fees, commissions and other compensation are reasonable and generally charged at market rates for the relevant activities, such compensation may not in each case be negotiated at arm's length and from time to time may be in excess of fees, commissions or other compensation that may be charged by an unaffiliated third party. Solutions Advisors Vehicles generally will not have the right to share in, or have advisory fee offsets for, any compensation received by TPG BD. TPG BD will only serve as a broker-dealer in a transaction for a Solutions Advisors Vehicle or its Portfolio Investment if we determine it is consistent with our fiduciary duties.

TPG BD's business continues to evolve and expand. It is possible that TPG BD would earn fees for engaging in other transactions that relate to a Solutions Advisors Vehicle or its Portfolio Investments. For example, TPG BD could place interests in vehicles formed for the purpose of making co-investments or exercising our rights or discharging our obligations under Governing Documents.

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

*Leveraged Procurement.* Additionally, certain Portfolio Investments of Solutions Advisors Vehicles 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 certain Portfolio Investments the option to participate in a program with us, our affiliates and other Portfolio Investments pursuant to which one of our affiliates negotiates favorable procurement arrangements. We and our affiliates, together with participating Portfolio Investments, receive the favorable procurement terms, which we are able to secure due in part to the involvement of our Portfolio Investments. This program is a Specialized Operational Service provided to participating 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 to Portfolio Companies*" and such reimbursements are not subject to advisory fee offsets or otherwise shared with the Solutions Advisors Vehicles. Because the cost of administering this program is shared among our affiliates and the participating Portfolio Investments, we may disproportionately benefit from it by utilizing the favorable procurement arrangements to a greater degree than any of the participating Portfolio Investments and as a result of not all of the Portfolio Investments availing themselves of the benefits.

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

The Funds generally allocate a portion of their investment profits to their general partners, which are affiliated with us, as a carried interest, as set forth in each Fund's Governing Documents. Co-Investment Vehicles also, in some cases, allocate a portion of their investment profits to their general partners, which are affiliated with us, as a carried interest, as set forth in the relevant organizational documents for each Co-Investment Vehicle.

There is a reduced allocation or no allocation of carried interest with respect to certain investors in certain Funds, including, for example, a Fund’s general partner, its affiliates and certain “friends of the firm.”

The allocation of carried interests at different rates, or subject to different hurdle rates, creates an incentive for us or our affiliates to disproportionately allocate time, services or functions to vehicles allocating carried interests at a higher rate (or subject to a lower hurdle rate), or to allocate investment opportunities to such vehicles. 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 we deem relevant, but in our sole discretion.

Since the amount of carried interest allocable to a Solutions Advisors Vehicle’s general partner depends on the Solutions Advisors Vehicle’s performance, we have an incentive to approve and cause the Solutions Advisors Vehicle 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 Solutions Advisors Vehicle’s investments at a time and in a sequence that would generate the most carried interest, even if it would not be in the Solutions Advisors Vehicle’s interest to dispose of the investments in that manner. In addition, tax reform enacted in 2017 in the United States (see “*Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss — Material Risks of Significant Investment Strategies — Tax Considerations*”) 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 Solutions Advisors Vehicle’s investments for longer periods in order for the gain from their dispositions to qualify for capital gain treatment under the carried interest rules, even if it would be in the Solutions Advisors Vehicle’s interest to hold the investments for shorter periods. See Item 11 below for additional information relating to how we generally address conflicts of interest.

## **ITEM 7 – TYPES OF CLIENTS**

See “*Item 4 – Advisory Business.*”

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

### ***Methods of Analysis and Investment Strategy – TPG GS Funds***

We primarily seek to pursue investments in stable private equity assets typically through continuation vehicles, funds or unaffiliated general partners that can take advantage of our worldwide network and integrated investment process. We seek to establish a comprehensive view of key investment issues, including operations, competitors and regulatory constraints, across geographies. Funds are integrated through a centralized investment review process, from sourcing through portfolio management. The TPG GS Funds will invest primarily in opportunities in North America and Europe.

In each Fund, we generally seek to pursue transactions where we have the ability to build deep knowledge of underlying assets and develop innovative solutions for private market investors and thus achieve compelling risk-adjusted returns through innovative opportunities in asset-, fund- and GP-level transactions.

We seek to identify operational enhancements during due diligence and to add value to Portfolio Investments following an acquisition. We utilize creative operational and financial strategies throughout the Portfolio Investments' evolution. We and our affiliates employ a group of operating professionals with significant career experience and deep sector expertise. We and our affiliates also employ a group of professionals with highly focused functional specializations.

We have a dedicated TPG operations team with the mission of driving shareholder value creation by engaging throughout the lifecycle of an investment, from the investment due diligence phase through exit. Following investment, the TPG operations team helps identify and execute on revenue growth, operational effectiveness and profit enhancement initiatives. The scope of this group's activities is summarized as follows:

- support the due diligence process by providing sector insights and expertise that informs transaction underwriting and identifying opportunities for operational improvement post-investment;
- support human capital initiatives by enhancing management teams and boards;
- drive the value creation planning process through active engagement with management teams;
- provide business performance oversight; and
- serve as interim executives, when necessary.

### ***Methods of Analysis and Investment Strategy – NewQuest Funds***

In respect of the NewQuest Funds, we primarily seek to acquire private equity positions on a secondary basis from motivated sellers, both directly and indirectly, in underlying portfolio companies whose businesses are substantially based in the Asia Pacific region (including Australia and New Zealand). The NewQuest Funds will primarily invest in opportunities in the Asia Pacific region (including Australia and New Zealand).

### ***Material Risks of Significant Investment Strategies***

The investment strategies described above, and other strategies that Solutions Advisors Vehicles pursue, involve a substantial degree of risk, and the Solutions Advisors Vehicles may lose all or a substantial portion of the value of their investments. Material risks relating to the investment strategies and methods of analysis described above are described in more detail in the applicable Solutions Advisors Vehicle's offering documents, and our representatives are available to discuss with potential investors the risks involved in the strategies a Solutions Advisors Vehicle pursues. Such material risks include those set forth below.

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

*Non-Controlling Interests; Reliance on GPs and Company Management.* The Funds will have limited opportunities to control the day-to-day operation of their portfolio investments, including investment and disposition decisions, or to protect their positions in such portfolio investments, nor will they generally have the right to remove the managers thereof. The success of the Funds will be substantially dependent upon the capabilities and performance of the GPs (as defined below) who control those Portfolio Investments and the company management of the underlying portfolio companies, which will include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. Although investors (such as the Funds) in GP-led and other structured secondary transactions typically retain enhanced governance and other rights (and may participate in the initial structuring and customizing of portfolios of a portfolio investment), once such a transaction is complete, the GPs will generally have broad discretion in structuring, negotiating, purchasing, financing, monitoring and eventually divesting the underlying assets and Portfolio Investments. Further, should a GP for any reason cease to participate in the management of the underlying assets and/or Portfolio Investments, the performance of the relevant Portfolio Investment (and consequently the Funds) could be adversely affected.

The Funds will partner with continuation vehicles, funds or underlying third-party investment managers who will continue to control such assets in which the Funds invest (collectively, “GPs”) who are unrelated to TPG and invest indirectly, in private equity and private equity-related investments selected by such GPs. Although we will attempt to evaluate each Portfolio Investment based on criteria such as the performance history of the Portfolio Investment, the underlying portfolio companies and the GP as well as the Portfolio Investment’s investment strategies, the past performance of any Portfolio Investment or GP may not be a reliable indicator of future results. Moreover, the Funds will typically not have the opportunity to evaluate future investments (if any) to be made by a Portfolio Investment and, generally, will have limited or, in some circumstances, no ability to dispose of a Fund’s investment in a Portfolio Investment, either in the manner or at the time we prefer, if we are dissatisfied with such Portfolio Investment’s performance. Accordingly, the returns of the Funds will be largely dependent upon the performance of the GPs and could be substantially adversely affected by any unfavorable performance.

Certain Funds may invest in preferred, synthetic and/or other investments in management companies, general partners and similar entities that manage or advise other investment funds (such entities, “Managing Entities”). Among the factors that we will typically consider in selecting such Managing Entities for investment is a record of strong financial performance. However, the past performance of any such Managing Entity is not necessarily indicative of its future performance. There is no assurance that such Managing Entity will achieve similar revenues or profits in the future. While it is expected that we will periodically meet with the management of Managing Entities in which the Funds invest and that the Funds may negotiate contractual terms requiring such Managing Entities to periodically provide the Funds with certain information, the Funds generally will not have the opportunity to evaluate the specific strategies employed by the Managing Entities and their funds and the Funds will not have an active role in the day-to-day management of the Managing Entities.

*Risks of Performance of Underlying Assets.* The individual Portfolio Investments and assets in which a Portfolio Investment invests may involve a high degree of business and financial risk.

These Portfolio Investments and assets may have operating losses or significant variations in operating results and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. Portfolio Investments may also include companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. In addition, they may have weak financial conditions and may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive positions. To the extent a portfolio company in which a Portfolio Investment has invested receives additional funding in subsequent financings and such Portfolio Investment or a Fund does not participate in such additional financing rounds, the interests of such Portfolio Investment and/or the Fund, as applicable, in such portfolio company would be diluted. Portfolio Investments may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities and a larger number of qualified managerial and technical personnel. Many of the Portfolio Investments may be highly leveraged, which may impair their ability to finance their future operations and capital needs, and may result in restrictive financial and operating covenants. As a result, such companies' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. In addition, in the event that such companies do not perform as anticipated or incur unanticipated liabilities, high leverage will magnify the adverse effect on the value of the companies' equity and could result in substantial diminution in, or the total loss of, equity investments in such companies.

*Highly Competitive and Dynamic Market for Investment Opportunities.* The market for sourcing and executing transactions of the kind targeted by the Funds is highly competitive, evolving rapidly, and involves a high degree of uncertainty. There can therefore be no assurance that the Funds will be able to (i) locate, complete and exit investments that satisfy the Funds' rate of return objectives or (ii) invest fully their available capital. The Funds will be competing for investments with many other investors, including, without limitation, other investment partnerships and corporations, sovereign wealth funds, domestic and international public pension plans, individuals, financial institutions and other investors. Some of these competitors may have stronger relationships, more relevant experience, greater financial and other resources and/or more personnel than us. Further, over the past several years, an increasing number of private equity funds have been formed to target these transactions (and many existing funds (including more traditional secondaries funds) have grown substantially in size and increased their focus on this market). Additional funds with similar objectives may also be formed in the future by other unrelated parties. More generally, the availability of attractive investment opportunities will be subject to market conditions (such as interest rates and other macro-economic factors) and to structural conditions in the private capital markets, such as supply/demand for illiquid private funds as an asset class, the performance and value of investments held by private funds and the ability of such funds to realize, recapitalize and/or refinance their own investments in order to return capital to their investors. Higher valuations and increased liquidity and return of capital in the private funds market may result in fewer attractive investment opportunities being available for the Funds. Likewise, changes in the prevailing terms and structures of private equity funds may impact the availability of opportunities, and the future pace and direction of such changes is difficult to anticipate. Finally, the Funds expect to source their investment opportunities through TPG personnel and through the TPG platform.

*Complexity of Transactions.* Transactions of the kind targeted by the Funds can be extremely complex and time-consuming. They are frequently conducted through competitive processes (such as auctions) that may exacerbate pricing pressures and/or heighten the degree of execution difficulty. They may also be dependent upon multiple and uncertain consent processes involving underlying fund investors, lenders and other counterparties, co-investors and others. Finally, they may be of a size or nature that requires the Funds to arrange or syndicate participation by other buyers, and such contingent financing arrangements may prevent the Funds from successfully executing any given transaction. Even in situations where a Fund has expended considerable resources pursuing and negotiating a deal, there can be no assurance that the Fund will be successful in closing on an acquisition. This may result in unrecovered costs and expenses, which will be borne by the Fund, and may adversely affect the Fund's overall performance.

*Contingent Liabilities and Expanded Exposure Associated with Private Investment Fund Interests Acquired in Secondary Transactions.* Certain Funds may acquire interests in private investment funds in secondary transactions, in which case a Fund may acquire contingent liabilities of the seller of such interest. More specifically, where the seller has received distributions from the relevant private investment fund and, subsequently, that private investment fund recalls one or more of these distributions, a Fund (as the purchaser of the interest to which such distributions are attributable and not the seller) may be obligated to return monies equivalent to such distributions to the private investment fund. While a Fund may, in some circumstances, make a claim against the seller for any such monies so paid to the applicable private investment fund, there can be no assurances that the Fund would prevail on any such claim.

Additionally, certain of such investments that are interests in investment funds with material undrawn commitments generally will expose investors to more volatility in political, market and economic conditions and general market trends occurring after the formation of the relevant Fund and over a long-term period into the life of the Fund while other investments that are investment funds that are more mature in their term may expose investors to the effects of political, market and economic conditions and general market trends that occurred prior to the formation of the relevant Fund as well as future volatility in such conditions.

*Secondary Market Purchases; Pooled Investments in Secondary Investments.* Certain Funds may invest in private investment funds that have completed their closings by purchasing an interest in such fund from unaffiliated parties in the secondary market (a "Secondary Market Interest"). Such Secondary Market Interests may present additional risks such as difficulty in valuing the existing investments of the relevant private investment fund or the possibility that the acquired Secondary Market Interest may be subject to contingent liabilities resulting from activity that transpired prior to the Fund's purchase of such Secondary Market Interest (e.g., an indemnification obligation in respect of an act or omission occurring prior to the date of a Fund's purchase of such Secondary Market Interest). Further, the purchase or sale of a Secondary Market Interest will often be subject to the consent of the GP of the relevant private investment fund or otherwise on behalf of such fund and other qualification requirements and/or conditions may make such purchase more difficult or, ultimately, prevent it.

In addition, certain Funds will likely have the opportunity to participate in "stapled secondaries" (e.g., a transaction within a Fund's investment focus, but that in addition requires a corresponding commitment to a new fund in formation sponsored by the investment manager generating the



transaction the Fund participates in). In certain instances, the purchase of an interest in the new fund may be less attractive than the transaction within the Fund's investment focus.

*No Assurance as to Maturity, Redemption, Liquidation or Disposal of Portfolio Investments.* While many portfolio investments will have maturity or redemption dates, or will otherwise be liquidated or disposed of, during the term of the relevant Fund, such maturity or redemption dates may be extended and for other portfolio investments may fall outside the term of the Fund. There can be no assurance that a Fund will be able to sell or otherwise dispose of a portfolio investment at a time that we consider to be economically opportune or at all.

*Termination of the Fund's Interest in a Portfolio Investment.* A Fund may fail to satisfy one or more capital calls made by a portfolio investment if an investor in the Fund fails to make required fundings under the Fund's Governing Documents when due and such shortfall cannot be made up by the other investors, a new investor, the Fund's borrowings, the general partner, or otherwise. In the event that a Fund fails to make any such capital call, among other things, the Fund's interests in such portfolio investment may be terminated or reduced, the Fund may be assessed penalties or other fees, the Fund may lose its voting and other rights that it has with respect to such portfolio investment and the Fund may be precluded from making further contributions to such portfolio investment. In addition, a portfolio investment may terminate the Fund's interest in such portfolio investment if the GP determines that the continued participation of the Fund in such portfolio investment would have an adverse effect on such Portfolio Investments or is prohibited by applicable law or under circumstances similar to the foregoing. The occurrence of any of these events could adversely affect a Fund's performance and operations.

*Effect of Multiple Levels of Fees and Expenses on Returns.* Portfolio investments that are themselves investment funds or other managed vehicles impose performance-based allocations or fees, management fees and other expenses. Such fees and expenses are in addition to those of the Funds. Such fees and expenses are expected to materially reduce the actual returns to investors, although the impact of such fees and expenses on investment returns may be reduced by time and dollar discounts. Fees and expenses of the Funds (including advisory fees) and portfolio investments that are underlying investment funds or other managed vehicles will generally be paid regardless of whether the Funds or the relevant portfolio investments produce positive investment returns.

*Failure by Other Investors to Meet Capital Calls of Portfolio Investments.* The Funds, directly or indirectly, will likely be one of many investors participating in a portfolio investment, many of which typically will have capital contribution obligations over an extended period of time (although the Funds expect to invest in portfolio investments with minimal undrawn commitments). Failure by one or more other investors to meet a capital call of a portfolio investment could have adverse consequences for the applicable Fund. The portfolio investment may be permitted to require the Fund and other investors participating in the portfolio investment to contribute additional capital to satisfy the shortfall. The Portfolio Investment may not have sufficient capital from investors to contribute to existing portfolio companies necessary to ensure their ongoing financial stability. If multiple investors fail to meet capital calls from a particular portfolio investment, such portfolio investment could default on its obligations, which could result in the termination of such portfolio investment, causing a lower return, or potentially a loss, on the Fund's investments.

*Risks Related to Commitment Strategy.* Certain portfolio investments are expected to draw down less capital than the investing Funds have committed to such portfolio investment. If we decide it is in the best interest of the relevant Fund(s) to fully deploy the total capital commitments of the investors, we may make aggregate commitments to portfolio investments that exceed the aggregate capital commitments of the investors. Although the Funds will seek to monitor cash flow projections, there can be no assurance that the Funds will be able to meet all of their commitments to the portfolio investments or otherwise successfully implement its commitment strategy. If a Fund is not able to meet all of its commitments to a portfolio investment, the Fund may be subject to penalties arising under the terms of its contractual commitments with respect to its investment in such portfolio investment, including, without limitation, being required to sell its interest in such portfolio investment or forfeit a portion of its investment in a portfolio investment. In such cases, a Fund's return from such portfolio investment could be materially lower than it would have been had the Fund been able to meet all of its commitments.

*Risks Relating to Investments in Asset Management or Investment Advisory Businesses.* Certain Funds may invest in Managing Entities in the asset management and investment advisory businesses, or similar businesses. The asset management industry encompasses the creation and management of investment products. Companies operating in this subsector include: traditional long-only and alternative platforms; managers of strategies using equity, fixed income, commodity, hard asset, or other asset classes; and, providers of both retail and institutional investment products. The revenues of asset management and investment advisory businesses are highly dependent on advisory fee income and in certain instances carried interest or similar incentive compensation. Advisory fee income, carried interest or similar incentive compensation may be negatively impacted by an absolute decline in assets under management, whether as a result of a market decline or a loss of clients, or by a shift in the mix of assets under management from equities or alternatives to fixed-income. Such a decline or shift could be caused or influenced by any number of factors, such as underperformance in absolute or relative terms, loss of key advisers or other talent, changes in investing preferences or trends, market downturns or volatility, drops in investor confidence, reputational damage, increased competition, or general economic conditions. The financial services industry is further subject to extensive regulation which directly affects the cost of doing business and any failure to comply with applicable laws or regulations could result in fines, censure, suspensions of personnel or other sanctions, including revocation of registrations as an investment advisor or broker-dealer, with respect to any Managing Entities (or similar advisory businesses) in which the Funds invest. Each of these risks could negatively affect any investments by the Funds in portfolio investments involved in asset and wealth management or similar advisory businesses.

In certain cases such investments may take the form of participations in the equity profits and/or revenue streams of Managing Entities. These include the risks associated with investments in businesses at an early stage of development or with little or no variations in operating results. Although the Funds may not be able to control, influence or make investment decisions taken by the Managing Entities in which the Funds acquire participations, the Funds may seek to have observer rights and other transparency rights with respect to such investments. It is possible that regulators or third parties will try to impose liability on the Funds in connection with the operations of such Managing Entities. Any such liability could adversely affect the performance of such Fund's investment in such Managing Entities and thus the performance of the Fund.

If a Managing Entity's investment fund experiences losses (or fails to meet performance benchmarks, including by providing its investors with a "preferred return" on their invested capital), such Managing Entity will not be able to earn performance-based returns from that fund until it satisfies such benchmarks.

*Risks Relating to the Use of Leverage.* The Funds and/or Portfolio Investments (including, for the avoidance of doubt, any special purpose vehicles formed to effect the acquisition of Portfolio Investments or similar transactions) may use leverage for a variety of purposes, including, but not limited to, acquiring, directly or indirectly, new investments (if any), leveraging existing investments to permit distributions or additional investments, facilitating hedging activities and bridging funding for investments in advance of capital calls, as applicable. Leverage generally magnifies opportunities for gain and risk of loss from a particular investment. The leverage used by the Funds and/or Portfolio Investments may take the form of indebtedness for borrowed money as well as financial leverage in the form of short sales, forward contracts, options, derivatives, and other similar transactions, which may expose the Funds to greater risks than if leverage was not used. Leverage incurred by the Funds or a Portfolio Investment could accelerate and magnify declines in the value of an underlying investment or asset. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Gains made with borrowed funds generally would cause a Fund's and/or any relevant underlying Portfolio Investment's value to increase faster than without borrowed funds. However, losses incurred with borrowed funds would cause a Fund's and/or any relevant underlying Portfolio Investment's value to decrease faster and more significantly than without the use of borrowed funds. Money borrowed for the purpose of leveraging investments will also be subject to interest costs as well as financing, transaction and other fees and costs that may not be recovered by returns on the underlying investments, assets or other investment positions taken by the Funds and/or any relevant underlying Portfolio Investments, as applicable. In addition, the use of leverage may also result in tax-exempt investors incurring UBTI.

*Limited Availability of Information.* Due to confidentiality considerations, certain potential and/or actual portfolio investments may not permit the Funds to fully disclose information regarding such portfolio investment's investment strategies, risks, prior performance, underlying portfolio companies or other information. Additionally, information received from the GPs of the portfolio investments may not always be accurate or timely. This limited access to, or the untimeliness or inaccuracy of, information provided by the GPs may make it more difficult for us to select, allocate among and evaluate the Portfolio Investments.

*Valuations.* The Funds may rely on, and take into account, the reported net asset values of underlying portfolio companies and assets that they receive from the relevant GPs. We will generally have limited ability to assess the accuracy of the valuations received from the GPs in connection with the Funds' Portfolio Investments. Furthermore, the net asset values we receive in respect of the portfolio investments may be outdated, estimates or subject to further confirmation and will typically be unaudited. However, the Funds will be entitled to rely upon, and take into account, such net asset values in their own valuation of the Funds' investments and reporting.

More generally, there is no established market for the privately-held Portfolio Investments and assets in which the Portfolio Investments (and thus the Funds) will invest, and there may not be any comparable companies for which public market valuations exist. As a result, the valuation of the Funds' investments will be difficult, may be based on imperfect information and is subject to inherent uncertainties, and the resulting values may differ from values that would have been determined had a ready market existed for such investments, from values placed on such investments by other investors and from prices at which such investments may ultimately be sold. In addition, third-party pricing information may at times not be available regarding certain of the portfolio investments' and the Funds' assets or, if available, may not be considered reliable.

*Reliance on Third-Party Projections.* The Funds will from time to time rely upon projections, forecasts and estimates developed by GPs and the management of underlying portfolio companies and assets concerning the future performance and cash flow of portfolio investments. We expect to diligence and investigate such information where feasible and commercially appropriate, but it will necessarily be dependent upon these third parties as to underlying data and certain assumptions and outlooks, and the Funds may make investment decisions (including as to pricing and other terms) in reliance on such projections, forecasts and estimates. Actual events are difficult to predict and beyond the Funds' control, and may differ from those assumed. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates and domestic and foreign business, market, financial or legal conditions, among others. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results for the Funds or the portfolio investments will not be materially lower than those estimated or targeted therein.

*Faster Drawdown of Capital Commitments.* There is no limit on the speed at which certain Funds may draw down capital commitments. In addition, because the Funds expect to acquire interests in portfolio investments that are close to fully or at least partially invested, the Funds may have a faster capital commitment drawdown rate than a fund focused exclusively on other types of investments.

*Advisory Board Liability.* The Funds may obtain the right to appoint one or more representatives to the advisory board (or similar advisory body) of a portfolio investment. Serving on the advisory board (or similar advisory body) of a portfolio investment exposes a Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio investments may obtain insurance with respect to such liability, and the insurance that portfolio investments do obtain may be insufficient to adequately protect advisory board (or similar advisory body) members from such liability. Moreover, although advisory board (or similar advisory body) members are typically entitled to indemnification, such indemnification usually contains carve outs with respect to certain conduct and, therefore, advisory board (or similar advisory body) members may be liable in such instances without indemnification.

*Market Conditions and Financial Market Fluctuations.* Market and economic conditions throughout the world materially affect the Portfolio Investments and, in turn, the Funds' performance. These conditions include

- interest rates;

- availability and terms of credit;
- credit defaults;
- inflation rates;
- economic uncertainty;
- changes in laws;
- regulatory interventions and changes in regulations;
- changes in fiscal and monetary policies;
- trade barriers;
- commodity prices;
- currency exchange rates and controls; and
- national and international political, environmental and socioeconomic circumstances, including the risks of war, pandemics and the effects of terrorist attacks.

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.

Instability in the securities markets and economic conditions generally also increase the risks inherent in the Funds' investments. For example, volatile market conditions can lead to significantly diminished availability of credit and an increase in the cost of fundraising, which can materially hinder the initiation of leveraged transactions. In addition, the ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations.

As a result of the foregoing, we may not be capable of, or successful at, preserving the value of Fund assets, generating positive investment returns or effectively managing Fund risks.

*Risks of Pandemics.* The spread of infectious disease, together with any resulting travel restrictions or quarantines, could have a significant negative impact on the economy and the Funds and their Portfolio Investments' activities. In turn, this would adversely affect the Funds' performance. Examples include the outbreaks of Severe Acute Respiratory Syndrome in Asia in 2003, avian influenza, or "bird flu," in Asia in 2004 and 2005 and Influenza A more recently. There can be no assurance that any precautionary measures taken against infectious disease would be effective.

Most recently, the novel coronavirus ("COVID-19") began spreading globally in early 2020. The global outbreak of COVID-19 and the measures governmental agencies and the private sector have taken to contain it, including business closures, limitations on public gatherings, travel restrictions and quarantines, have significantly disrupted the global economy and caused severe market dislocation and volatility. While we cannot accurately forecast COVID-19's ultimate impact at

this time, we expect it will have a profound and lasting effect on the Funds and their Portfolio Investments and our ability to manage the Funds' portfolios and pursue Fund investments. In addition, COVID-19 and corresponding containment efforts will impair, potentially for an extended period of time, our ability to monitor and manage Portfolio Investments as well as source investments to execute the Funds' investment strategies. COVID-19 and corresponding containment efforts may also lead to increased demands on the products and services of Portfolio Investments and disruption or failures in the network infrastructure of Portfolio Investments and third-party services Portfolio Investments receive, including from supply chain disruptions.

In addition, the rapid and broad-based shift to a remote working environment creates inherent productivity, connectivity and oversight challenges. Governmental restrictions have been globally inconsistent, and it is not clear when a return to worksite locations or travel will be permitted or what restrictions will be in place in those environments. In response to the spread of COVID-19, many businesses, including TPG, 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 our 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*" for additional discussion of cybersecurity. In addition, the extent and/or duration of ongoing workforce restrictions and limitations could impact the ability of a Portfolio Investment to enhance, develop and support existing products and services. Given the extraordinary nature of COVID-19 and its inherent unpredictability, it may take years to understand the full scope of its ramifications. Future outbreaks of infectious disease or any other serious public health concern could have a similar material adverse impact on the Fund and its Portfolio Investments.

*Competition for Investments.* Over the past several years, an increasing number of investment funds and other capital pools focusing on transactions of the kind targeted by the Funds have been formed, and additional capital will likely be directed at this sector in the future. Other investment funds and other institutions currently in existence or organized in the future may have a strategy similar to that of the Funds or may otherwise adopt the Funds' strategies wholly or in part and, in each case, compete with the Funds. Certain of these funds and institutions possess competitive advantages over the Funds, including:

- greater financial, technical, marketing and other resources;
- greater access to investment opportunities and transactions that may be targeted by the Funds;
- higher risk tolerances;
- different risk assessments;
- lower return thresholds;

- lower cost of capital;
- access to funding sources unavailable to a Fund; and
- an ability to achieve synergistic cost savings in respect of an investment,

resulting in fewer investment opportunities available for the Funds or unfavorable implications for the pricing and other terms of potential investments, which could adversely affect the implementation of a Fund's investment strategy and the Funds' overall return profile.

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

The Funds will seek to diversify their types of private equity and private equity-related assets through partnership with various GPs. Such diversification may not be achieved as a result of, among other things, insufficient investment opportunities, whether due to the insufficient number of high quality GPs or, even though it is expected that most portfolio investments will have mature portfolios, delays in effecting any investments, or in certain cases as a result of insufficient investable assets as a result of insufficient subscriptions or failure by existing or prospective investors to fund unpaid capital commitments to the Funds. Moreover, the GPs may have substantially similar strategies and assets potentially resulting in high concentration of underlying portfolio companies in certain industries or verticals or high return correlations among the portfolio investments and reducing the intended diversification potentially resulting from investing with various GPs. In addition, although the diversification of the Funds' investments through partnership with various GPs is intended to reduce the Funds' exposure to adverse events associated with, for example, specific issuers, geographic locations or industries, the number and type of secondary transactions and/or underlying investments may be limited. As a consequence, a Fund's returns as a whole may be adversely affected by the unfavorable performance of even a single investment by the Fund or by a portfolio investment.

*Reliance on Our Professionals.* The success of a Fund will depend in large part upon the skill and expertise of our professionals and those of our affiliates. We cannot assure that any individual professional will continue to be associated with a Fund or that replacements will perform well and, in the event of the departure of any or all of such persons, investors will nevertheless be required to continue to fund certain capital contributions. Our ability to recruit, retain and motivate qualified investment professionals is dependent in part on our ability to offer attractive incentive opportunities. There is competition among alternative asset firms, financial institutions, private equity firms, investment managers and other industry participants for hiring and retaining qualified investment professionals. Should any of our professionals join or form a competing firm, become

incapacitated or in some other way cease to participate in investment activities of a Fund, its performance could be adversely affected. Tax reform enacted in 2017 in the United States has increased the holding period required in order for professionals to treat carried interest as long-term capital gain, which may increase the amount of taxes such professionals would be required to pay with respect to their carried interest. If additional, broader legislation were to be enacted to treat carried interest as ordinary income rather than a capital gain, the amount of taxes that our professionals would be required to pay with respect to their carried interest would materially increase, thereby adversely affecting our ability to offer attractive incentive opportunities.

*Reliance on the Management of the Underlying Portfolio Companies.* Although we intend to ensure that Funds invest in Portfolio Investments with portfolio companies that have strong management teams and/or to partner with a GP that will assist in enhancing management teams of the underlying portfolio companies of a Portfolio Investment, there can be no assurance that any underlying portfolio company's management team will be able to operate successfully. With respect to emerging companies, a GP may have limited ability to evaluate their management based on past performance, and such companies may rely more on individual members of the management team than more established companies do. In addition, instances of fraud, other deceptive practices and/or other misconduct committed by the management teams of portfolio companies may undermine a GP's and our due diligence efforts with respect to such investments or otherwise adversely affect the operations of such underlying portfolio companies. If such fraud, other deceptive practices and/or other misconduct is discovered, it could adversely affect the valuation of the applicable underlying portfolio companies and, in turn, such Fund's portfolio investment.

*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"). In addition, the Coronavirus Aid, Relief, and Economic Security Act (the "Cares Act") has recently amended the Code. While additional guidance on the Tax Act and Cares 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.

*Underlying Investments in Developing Market Countries.* While such investments are expected to be very limited, a Fund or Fund's portfolio investment may make investments in developing market countries. To the extent a Fund is exposed to such underlying investments, it is anticipated it would be as part of a larger portfolio transaction. Underlying investments in developing 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 portfolio investment and its performance.

Moreover, the economies of developing 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 the underlying portfolio companies or assets of a portfolio investment held in particular developing market countries.

Laws and legal standards in many developing 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 developing market countries do not have well-developed shareholder rights and provide inadequate legal remedies for breaches of contract (e.g., a shareholder agreement).

A portfolio investment's ability to bring suit against a developing market entity that is an underlying company of such portfolio investment, 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 portfolio investment will likely be unable to effect service of process within the United States upon such entities or their directors and officers. Even where an entity is successfully sued 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 an underlying investment and, in turn, the Fund's participation in the relevant portfolio investment.

*Changes in the Political Environment of the United Kingdom and Europe.* The United Kingdom left the European Union on January 31, 2020 (commonly referred to as "Brexit"). During an 11-month transition period, the United Kingdom and the European Union agreed to a Trade and Cooperation Agreement which sets out the agreement for certain parts of the future relationship between the European Union and the United Kingdom from January 1, 2021. The Trade and Cooperation Agreement does not provide the United Kingdom with the same level of rights or access to all goods and services in the European Union as the United Kingdom previously maintained as a member of the European Union and during the transition period. In particular the Trade and Cooperation Agreement does not include an agreement on financial services, which is yet to be agreed. Accordingly, uncertainty remains in certain areas as to the future relationship between the United Kingdom and the European Union.

From January 1, 2021, European Union laws ceased to apply in the United Kingdom. However, many European Union laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the European Union and the United Kingdom on financial services, substantial amendments to English law may occur, and it is impossible to predict the

consequences on the Funds and their investments. Such changes could be materially detrimental to investors.

Although one cannot predict the full effect of Brexit, it could have a significant adverse impact on the United Kingdom, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by the Funds.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates the regulation of the provision of financial services within and to persons in the European Union. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on the Funds and their Portfolio Investments, including the ability of the Funds to achieve their investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on our ability to manage, operate and invest the Funds and increased legal, regulatory or compliance burden for us and/or the Funds, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Funds.

Areas where the uncertainty created by the United Kingdom's withdrawal from the European Union is relevant include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused by the withdrawal may adversely affect the value of the Funds' Portfolio Investments and the ability to achieve the investment objectives of the Funds.

*Trade Policy.* Political leaders in the United States and certain European nations have in the past been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government, in particular, has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Governments of other countries have introduced, or may in the future introduce, protectionist and other similar trade policies that could adversely affect free trade. Global trade disruption, significant introductions of trade barriers and bilateral trade

frictions, together with any resulting future downturns in the global economy, could adversely affect the financial performance of the Funds and their investments.

Recently, there have been a number of developments and events that have increased tensions between the United States and China. In June 2020, the Standing Committee of the PRC National People's Congress issued the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region, which defines the duties and government bodies of Hong Kong for safeguarding China's national security. In July 2020, then-U.S. President Donald Trump signed the Hong Kong Autonomy Act ("HKAA"), into law, authorizing the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong's autonomy. The HKAA further authorizes secondary sanctions, including the imposition of blocking sanctions, against foreign financial institutions that knowingly conduct a significant transaction with foreign persons sanctioned under this authority. Also, in July 2020, the United States ordered China to close its consulate in Houston, Texas, alleging that it was a hub of espionage and intellectual property theft. China retaliated by closing the U.S. consulate in Chengdu. In August 2020, then-U.S. President Trump issued Executive Orders establishing a framework for prohibiting transactions involving widely-used Chinese-owned communications apps, WeChat and TikTok. These developments and any future actions by the United States or China arising from or contributing to the further deterioration of relations between the United States and China could result in significant disruption in regional and global markets and could have material adverse consequences on the investments of the Funds, including on underlying Portfolio Investments that could be affected or targeted by any sanctions or other regulatory actions.

In addition, these policies are likely to change as a result of the new U.S. presidential administration and other administrations globally.

*Eurozone Risks.* Certain Funds expect to invest indirectly through one or more portfolio investments from time to time in European companies and companies that have operations affected by the Eurozone economy. In 2010 and 2011, concerns emerged over potential default of certain European Union member states and the stability of the Eurozone as a whole. Actions taken by European leaders and the European Central Bank served to mitigate these risks, but these concerns could re-emerge which would likely have an adverse impact on the European and global economy and, consequently, on the Funds.

*LIBOR and Other "IBOR" Rates.* LIBOR, the London Interbank Offered Rate, is an estimate of the interest rates to borrow U.S. Dollars, sterling, Euros and certain other currencies in the London unsecured interbank market, and has been widely used as a reference for setting the interest rate on loans, bonds, and derivatives globally. The United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced its intention to phase out the creation of LIBOR estimates by the end of 2021, including transitioning to alternative reference rates. However, in November 2020, ICE Benchmark Administration Limited ("IBA"), the LIBOR administrator, announced that it will consult on its intention to cease the publication of all British pound, euro, Swiss franc and Japanese yen LIBOR settings and on its intention to cease the publication of the one-week and two-month U.S. dollar ("USD") LIBOR settings immediately following the LIBOR publication on December 31, 2021 and the remaining USD LIBOR settings immediately following

the LIBOR publication on June 30, 2023. This announcement is viewed as an effective extension of the end of USD LIBOR. Concurrently with each IBA announcement, the FCA published statements in support of the IBA announcements, including IBA's proposed extension of the publication of most USD LIBOR tenors, noting that the extension would provide time to address the legacy contracts that reference USD LIBOR.

The U.S. Federal Reserve (the "Federal Reserve"), in conjunction with the Alternative Reference Rates Committee, is also recommending replacing USD LIBOR with a new reference rate derived from short-term repurchase agreements backed by Treasury securities, the Secured Overnight Financing Rate ("SOFR"). However, certain market constituencies have criticized SOFR's suitability as a LIBOR replacement, and the extent of SOFR-based instruments issued or trading in the market remains a fraction of LIBOR-based instruments. As such, there remains uncertainty regarding the future utilization of LIBOR and other "IBORS," and the nature of any replacement rates.

Certain Funds' investments may have interest rates with a LIBOR reference. As a result, the transition away from LIBOR could adversely impact the Funds. Even if replacement conventions (e.g., SOFR) are adopted in the lending and bond markets, it is uncertain whether they might affect the Funds as investors in floating-rate instruments, including by:

- affecting liquidity of the Funds' investments in the secondary market and their market value;
- reducing the interest rate earned by the Funds as holders of such investments (either generally or in certain market cycles) due to the use of a collateralized, overnight rate and credit spread adjustments instead of an unsecured, term rate; or
- causing the Funds to incur expenses to manage the transition away from LIBOR.

Also, while it is common for recently issued instruments to contemplate a scenario where LIBOR is no longer available by providing for an alternative rate setting methodology and mechanisms to amend the applicable reference rate, not all instruments have such provisions and there are significant uncertainties regarding the effectiveness of any such alternative methodologies. As such, the Funds may need to renegotiate the terms of credit agreements with certain issuers of investments that utilize LIBOR in order to replace it with the new standard convention that is established, which could result in increased costs for the Funds.

The Funds may also enter into swaps and similar instruments that reference LIBOR, including swaps used to manage long-term interest rate risk related to assets and/or liabilities. In addition to the Funds potentially needing to renegotiate some of those instruments to address a transition away from LIBOR, there also may be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, in possible unexpected gains and/or losses for the Funds. In addition and as further described above, some of the standard conventions under consideration, including SOFR, are conceptually different than LIBOR, in that they are overnight, secured rates instead of unsecured, term rates, which could behave differently from LIBOR in ways that cause the Funds to owe greater payments or receive

less payments under its derivatives, at least during certain market cycles. Some of these replacement rates may also be subject to compounding or similar adjustments that cause the amount of any payment referencing a replacement rate not to be determined until the end of the relevant calculation period, rather than at the beginning, which could lead to administrative challenges for the Funds.

Furthermore, even though the terms of the Funds' credit facilities may provide for mechanics to amend the credit facilities in order to reflect a replacement rate in the event of a transition away from LIBOR, the determination of such replacement rate may require further negotiation, including between the General Partner and the applicable lender. There can be no certainty that an agreement between the parties will be reached, and the terms of the Funds' credit facilities may also provide that, during any applicable transition period, the amounts drawn under the Funds' credit facilities may bear interest at a higher rate. In addition, even if an agreement is reached with respect to a replacement rate for LIBOR, the applicable lender may have the ability to make certain changes to the terms of a Fund's credit facility to implement the new rate, which the Fund may have no control over.

Finally, on October 23, 2020, the International Swap and Derivatives Association ("ISDA") launched (i) Supplement number 70 to the 2006 ISDA Definitions ("IBOR Supplement") and (ii) the ISDA 2020 IBOR Fallbacks Protocol ("IBOR Protocol"). The IBOR Supplement is intended to enhance the robustness of derivatives contracts traded on or after January 25, 2021 by addressing the risk that some IBORs are permanently discontinued or, in the case of LIBOR, cease to be representative, by applying fallbacks to specified alternative references rates upon such a trigger. The IBOR Protocol permits adhering parties to amend in-scope transactions entered into prior to January 25, 2021 on similar terms. These documents are a critical element to industry efforts to facilitate the derivatives markets' transition away from LIBOR and other IBORs.

*Currency Risk.* A material number of the Funds' investments and the income received by the Funds with respect to such investments might be denominated in various non-U.S. currencies. However, the books of the Funds will be maintained, and capital contributions to and distributions from the Fund will be made, in U.S. dollars. Accordingly, fluctuations in currency values could adversely affect the U.S. dollar value of underlying portfolio companies, interest, dividends and other revenue streams received by the Funds, gains and losses realized on the sale of underlying portfolio companies and the amount of distributions, if any, to be made by the Funds. Furthermore, the underlying portfolio companies in which the Funds invest could in many cases be subject to risks relating to changes in currency values, as described above. If an underlying portfolio company suffers adverse consequences as a result of such changes, the Funds likely would also be adversely affected as a result.

Among the factors that could affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political and economic developments. We could try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be effective.

*Increased Regulatory Oversight.* 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 regulatory oversight. As a result of such oversight, we anticipate that, in the normal course of business, our officers will have contact with governmental authorities and/or need to respond to inquiries or examinations and/or implement new, or enhance existing, policies and procedures. We would also expect the Funds, directly or indirectly through portfolio investments, to be subject to regulatory inquiries concerning their securities positions and trading.

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

The Dodd-Frank Act currently affects a broad range of market participants with whom the Funds interact or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, broker-dealers, futures commission merchants and swap dealers. It is difficult to predict the future of the Dodd-Frank Act or to anticipate the effect of these and other regulatory changes on a Fund and its general partner, and such continued uncertainty may increase volatility, making it increasingly difficult for us to execute the investment strategy of a Fund.

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

The implementation of the European Union’s Directive 2011/61/EC on Alternative Investment Fund Managers (the “AIFM Directive”) could have an adverse effect on the continued operation of a Fund where limited partner interests are offered to or placed with investors in any European Economic Area (“EEA”) Member State that has implemented the AIFM Directive. The AIFM Directive applies to the manager of any investment fund that is not authorized under the Undertakings for Collective Investment in Transferable Securities Directive (an “AIF”) or does not otherwise fall within a relevant exclusion under the AIFM Directive (an “AIFM”).

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 results in additional costs to the applicable Fund, reducing the returns for investors. The need to comply with any such registration requirements has the potential to delay the fundraising process, thereby reducing the speed with which we and the Fund's general partner can deploy the capital raised.

The AIFM Directive imposes certain requirements and restrictions on a Fund where the Fund acquires control of a Portfolio 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 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 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.

*Underlying Investments in Early-Stage and Late-Stage Companies.* The Funds, directly or indirectly through portfolio investments, make investments in underlying companies that are in a conceptual or early stage of development. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets and management teams that may have limited experience working together, all of which enhance the difficulty of evaluating such portfolio investment. The management of these companies will need to implement and maintain successful marketing, finance and other operational strategies in order to become and remain successful. Other substantial operational risks to which these companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried and/or untested business models, products and services, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change.

Any investments in early-stage companies are considered highly speculative and may result in the loss of a portfolio investment's entire investment therein.

The Funds, directly or indirectly through portfolio investments, may also include investments in underlying companies that are in a later stage of development, which involve different types of risks. These companies typically have obtained capital in the form of debt and/or equity to expand

rapidly, reorganize operations, acquire a business or develop new products and markets; these activities by definition involve a significant amount of change and could cause significant issues in sales, manufacturing and general management.

*Dependence on Patents, Trademarks and Other Intellectual Property.* Certain underlying portfolio companies will depend heavily on intellectual property rights, including patents, trademarks and service marks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject an underlying portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of the research and development of an underlying portfolio company's particular product.

*Additional Capital Requirements of Underlying Portfolio Companies.* Certain of a Fund's directly-held or underlying portfolio companies, especially those in a development phase, require additional financing to satisfy their working capital requirements or acquisition strategies. Each round of financing (whether from a portfolio investment or other investors) is typically intended to provide an underlying portfolio company with enough capital to reach the next major corporate milestone, and the amount of such additional financing will depend upon the maturity and objectives of the portfolio company. If the funds provided are not sufficient, an underlying portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including a portfolio investment. A Portfolio Investment may also include additional debt and equity investments or warrants, options or convertible securities that the relevant Portfolio Investment acquired in the initial investment in a portfolio company in order to preserve such Portfolio Investment's proportionate ownership when a subsequent financing is planned, or to protect such Portfolio Investment's investment when the portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of a Fund, any GP or any Portfolio Investment. There can be no assurance that we, any GP or any Portfolio Investment will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

*Risks Associated with Publicly Traded Securities; Illiquidity.* The underlying assets of a portfolio investment may include publicly traded securities, which such portfolio investment may continue to hold following a partial exit from an underlying investment. When investing in publicly traded securities, a portfolio investment may be unable to obtain financial covenants or other contractual rights, including management rights, that it might otherwise be able to obtain in making privately negotiated investments. Moreover, a portfolio investment or its GP may not have the same access to information in connection with investments in publicly traded securities, either when investigating a potential investment or after making an investment, as compared to privately negotiated investments. Furthermore, a portfolio investment or its GP would be limited in its ability to make additional investments, and to sell existing investments, in public securities if it has material, non-public information regarding the issuers of those securities or as a result of other internal policies. The inability to acquire or sell publicly traded securities in these circumstances could materially adversely affect the investment results of the portfolio investment. In addition, a portfolio investment may sell an underlying portfolio company 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. An underlying investment 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 underlying portfolio companies 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/or 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 a GP, 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.

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

*Controlling Interests and Provision of Managerial Assistance.* Through equity ownership, representation on the board of directors and/or contractual rights (if applicable), a portfolio investment will often control, participate in the management of or otherwise influence substantially the conduct of its underlying portfolio companies. The designation of a GP's professionals as directors and the exercise of control over an underlying 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, such portfolio investment may suffer a significant loss, exposing the underlying assets of such portfolio investment to claims by its portfolio company, its other security holders, its creditors or governmental agencies, which may exceed the value of such portfolio investment's initial investment in that portfolio company. While we expect the GPs will reduce exposure to these risks to the extent practicable, the possibility of successful claims cannot be precluded. Additionally, in limited circumstances, our professionals, advisors and/or consultants may be engaged by a GP to serve on the board of directors of an underlying portfolio company, in which case we may also be exposed to similar risks of liability.

*Underlying Investments in Restructurings.* Certain Funds invest in restructurings involving a portfolio investment's underlying portfolio companies that are experiencing or are expected to experience financial difficulties. These portfolio companies may never overcome these financial difficulties and may become subject to bankruptcy proceedings. Investments in restructurings by a portfolio investment may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences and lender liability and by a bankruptcy court's

discretionary power to disallow, subordinate or disenfranchise particular claims or recharacterize investments. Such investments could, in certain circumstances, subject a portfolio investment to certain additional potential liabilities that have the potential to exceed the value of its original investment. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor will have its claims subordinated or disallowed or found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, a bankruptcy court could reclaim a payment to a portfolio investment and distributions by a portfolio investment to its participating 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.

*Investments in Operating Turnarounds.* In some cases, the success of a Fund's direct or indirect investment strategy will depend in part on the relevant GP's ability to restructure and improve the operations of a portfolio company. Identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty, and there can be no assurance that any GP will be able to successfully do so.

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

- trade balances and imbalances and related economic policies;
- potential price volatility in, and relative illiquidity of, some non-U.S. securities markets;
- unfavorable currency exchange rate fluctuations;
- imposition of exchange control regulation by the U.S. or foreign governments;
- U.S., foreign or other withholding taxes;
- limitations on the removal of funds or other assets;
- 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.

*Investments in Developing Market Countries.* Certain Funds make investments in developing market countries. Investments in developing 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 developing 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 developing market countries.

Laws and legal standards in many developing 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 developing market countries do not have well-developed shareholder rights and provide inadequate legal remedies for breaches of contract (e.g., a shareholder agreement). A Fund's ability to bring suit against a developing 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.

*Interest Rate Risks.* Certain Funds will have exposure, either directly or through a portfolio investment, to interest rate risks, meaning that changes in prevailing interest rates could negatively affect them. Factors that may 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,
- international disorders and
- instability in domestic and foreign financial markets.

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

*Hedging Transactions and Risks; Synthetic Investments.* In connection with certain investments, some Funds or Portfolio Investments employ hedging techniques intended to reduce the risks of these investments, including, for example, adverse movements in interest rates, securities prices and currency exchange rates. However, neither we nor a Portfolio Investment will be required to employ such hedging techniques in connection with Fund investments, and may be unable to anticipate all risks against which we could employ such hedges. In addition, hedging transactions have inherent risks, including the possible default by the counterparty to the transaction and the illiquidity of the underlying instrument acquired by the Fund or Portfolio Investment, as applicable. Although these transactions aim to reduce a Fund's exposure to, among other things, currency fluctuations or decreases in the value of investments, the costs and risks associated with these arrangements may reduce the returns a Fund or such Portfolio Investment would have otherwise achieved had the Fund or Portfolio Investment not entered into these transactions. Also, while 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 U.S. Commodity Futures Trading Commission's (the "CFTC") current and proposed rules on position limits for derivatives, could limit the effectiveness of that strategy or require more onerous reporting.

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

Portfolio Investments may also employ hedging techniques, and such hedging activities would be subject to the same risks and limitations discussed above.

*Co-Investment Warehousing.* 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 co-investors (including affiliated co-investors). If the co-investment of the “warehoused” portion is not ultimately consummated, the Fund or the participating investors would end up holding a larger portion of the investment than it otherwise expected or desired to hold. The risk of a co-investment not being consummated generally would increase in the event an investment decreases in value during the warehousing period, potentially requiring the Fund to bear the losses in connection with the investment. 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.

*Bridge Financings.* From time to time, a Fund provides financing to one of its investments (which may include equity and/or debt financing) on a short-term, unsecured basis in anticipation of a future issuance of more permanent, long-term equity or debt securities. However, for reasons not always in a Fund’s control, such long-term securities may not be issued, and such bridge loans may remain outstanding. If that happens, the interest rate on such loans generally would not adequately reflect the risk associated with the unsecured position taken by the Fund.

*Potential Reporting Obligations; Other Regulatory Regimes.* Acquisitions by a Fund, directly or indirectly through portfolio investments, of equity securities are expected to result from time to time in reporting and compliance obligations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or their equivalent regimes in non-U.S. jurisdictions. Portfolio Investments may also subject a Fund and, in limited circumstances, its partners, to other regulatory and reporting requirements. Investments in the communications, insurance, financial services, healthcare and mortgage industries would typically require a Fund, the underlying portfolio investment, GP or their respective affiliates to secure regulatory approvals or licenses, or to disclose information about itself or its equity holders. Applying for and obtaining these regulatory approvals or licenses is often a lengthy and expensive process with an uncertain outcome. Portfolio Investments may be unable to obtain necessary regulatory approvals on a timely basis, if at all, which could materially and adversely affect their performance. In addition, a Fund will be subject to tax reporting requirements in the United States and likely in other jurisdictions. The Fund will bear the costs of compliance.

*Disclosure of Information.* Certain investors in certain Funds and/or portfolio investments may be subject to state public records, similar freedom of information or other laws that compel public disclosure of confidential information regarding the Funds, their investments and their other investors, and these Funds may be required to disclose confidential information in connection with transactions. In our experience, there has been a recent increase in the number of requests under such laws 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. A Fund may incur expenses in connection with responding to any such disclosure requests, even if the Fund ultimately succeeds in asserting confidentiality for any requested documents and other materials. Moreover, notwithstanding any confidentiality protections in a Fund’s Governing Documents, there can be

no assurance that such information will not be disclosed either publicly or to regulators, law enforcement 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 such an investor. The public disclosure of this information may adversely affect a Fund and its investment activities.

*Third-Party Involvement; Counterparty Risk.* Funds co-invest from time to time with third parties through syndicates, joint ventures, structured transactions and similar arrangements, which may be designed to share risk in the underlying investments with third parties or may involve the Funds taking on greater risk with an expected greater return or reducing its risk with a corresponding reduction in the expected rate of return. These arrangements may expose the Funds to risks associated with counterparties, in addition to the risks associated with any GPs, portfolio investments and underlying assets or investments, including the possibility that a third-party co-investor or co-venturer has financial, legal or regulatory difficulties that negatively affect the portfolio investment (or any underlying asset or investment thereof), has economic or business interests or goals that are inconsistent with those of a Fund or is in a position to take (or block) action in a manner contrary to a Fund's investment objectives. In addition, a Fund will in certain circumstances be liable for the actions of its third-party partners or co-investors. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. In addition, there can be no assurance that the Fund's return from a transaction would be equal to and not less than the return of another party that was allocated an investment opportunity and that is participating in the same transaction.

*Syndication.* From time to time, the Funds may purchase a portfolio investment with the intention of syndicating a portion of such portfolio investment to one or more investors and/or other parties, including third party co-investors. In such instances, the Funds may have to agree to less favorable terms than expected with such co-investors to complete the syndication and/or the Funds may not be able to find sufficient co-investors for any such syndication within twelve months, which may result in the Funds having to hold a greater portion of such portfolio investment than originally intended. As a result, the Funds' portfolios could become more concentrated with respect to such investment than initially expected.

*Uncertainty of Financial Projections.* We expect the GPs generally will have established the capital structure of the underlying portfolio companies on the basis of financial projections for these companies, which in turn are normally based primarily on management judgments. Projections are only estimates of future results that rely upon assumptions made at the time that the projections are developed. There can be no assurance that a Portfolio Investment will achieve its projected results, and actual results can vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

*Portfolio Company Pension Liability and Other Considerations.* As a result of its equity ownership, representation on the board of directors and/or contractual rights, the Funds may be deemed to control, participate in the management of or influence the conduct of one or more of its portfolio companies. This could expose the assets of the Funds to claims by a portfolio company, its other security holders, its creditors or governmental agencies. In addition, if a Fund holds 80%

or more of the interests in a portfolio company and the Fund is found to be a “trade or business” under the U.S. Employee Retirement Income Security Act of 1974 (“ERISA”), a court could find that the Fund is jointly and severally liable with the portfolio company for any withdrawal liability with respect to a multiemployer pension plan which the portfolio company withdraws or is deemed to withdraw from. There is also a risk that a Fund could be deemed to be part of a “partnership-in-fact” with certain co-investors based on joint investment and other activities. This is currently an unsettled area of law, which is subject to recent litigation in the First Circuit Court of Appeals and ongoing litigation in the district courts, and significant questions remain regarding the potential application of these theories to similar factual situations. If a Fund were to be deemed a “trade or business” with the requisite level of ownership of an investment, either alone or in concert with other investors, the Fund could face liability with respect to the pension plans of its portfolio companies. In addition, it is possible that a court could expand this theory to cause multiple portfolio companies of a Fund to be treated as a controlled group or under common control, and thereby be liable for these funding obligations.

*Non-Controlling Investments.* A Fund, directly or indirectly through a portfolio investment, often holds a minority of the outstanding voting interests of its underlying portfolio companies and may hold investments in derivatives, debt instruments or other securities that do not entitle such portfolio investment to voting rights. In these cases, the Fund has a limited ability to protect its investment in such Portfolio Investment. If appropriate given the Fund’s ownership stake, we or the relevant GP may negotiate representation on the board of directors of a portfolio company or other minority shareholder and supervisory rights to protect the Fund’s investment. However, there can be no assurance that these measures will give the Fund the influence it would need to protect its investment. As a result, the Fund will be subject to the risk that a Portfolio 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.

*Risk Management; Operational Controls.* The operational controls and risk management techniques we use involve third parties over whom we do not exercise control, including outsourced providers of fund administration and custody services. The proper operation of a Fund and safekeeping of its assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques we use also necessarily include subjective elements, making the judgment and discretion of our investment and control-side professionals 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*”), changes in personnel, errors caused by third parties or other disruptive events. While we have adopted a business continuity program designed to minimize the disruption these events could otherwise cause to normal business operations,

business continuity programs are inherently limited. For example, we could experience unanticipated contingencies or our controls and oversight may not function as intended. In addition, certain circumstances, including natural disasters, war, terrorism, public health crises, power or utility shortages and other system failures and malfunctions, could prevent us and our service providers from performing certain tasks, potentially for extended periods of time, including sending and executing trade orders, processing investor transactions and calculating a Fund's net asset value. Any such failure could cause losses to a Fund.

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

*Data Privacy and Security Laws.* Jurisdictions in which the Funds or portfolio investments operate have recently adopted, or are considering adopting, stringent data privacy and cybersecurity laws, including the General Data Protection Regulation in the European Union (or “GDPR”), the California Consumer Privacy Act, the New York SHIELD Act and a range of proposed additional laws at the federal level and in California, New York, Texas, Utah, Washington and other states. The cumulative effects the recently adopted laws include

- an enhanced ability of individuals, relative to companies, to control the use of their personal data;
- increased obligations to maintain the security of data; and
- additional exposure to fines or damages for companies that do not accord individuals their specified privacy rights, that experience data breaches or that fail to maintain cybersecurity at certain levels.

We will endeavor to maintain systems that promote compliance with data privacy and security 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. Failure to comply with such laws could result in significant fines or damages that could have a material adverse effect on the Funds.

*Environmental Matters.* The ordinary operation of, or the occurrence of an accident with respect to, a portfolio company or asset could cause major environmental damage, which may result in significant financial distress to such asset or portfolio company if not covered by insurance. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons.

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

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

*OFAC and FCPA Considerations.* Economic sanction laws in the United States and other jurisdictions may prohibit us, a Fund and its Portfolio 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 Investment were to violate any such laws or regulations, such 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.

*Contingent Liabilities and Liabilities Upon Disposition of an Investment.* From time to time, a Fund, directly or indirectly through a portfolio investment, will incur contingent liabilities in connection with an investment. For example, a Fund may enter into agreements pursuant to which it assumes responsibility for default risk presented by a third party. In connection with the disposition of an investment in an underlying portfolio company, a Fund or portfolio investment may be required to make representations about the business and financial affairs of that company typically made in connection with the sale of assets or a business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of the investment to the extent such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which will be borne by the Fund. The Funds or portfolio investments may incur numerous other types of contingent liabilities, and there can be no assurance that the Fund will adequately reserve for its contingent liabilities or that such liabilities will not have an adverse effect on the Fund. A Fund's investors may be required to return amounts distributed to them to fund such Portfolio Investment, including indemnity obligations.

*Acts of God; Availability of Insurance Against Certain Catastrophic Losses.* A Fund's investments may be susceptible to "Acts of God," including earthquakes, floods, hurricanes, tropical storms, fires or other natural disasters, pandemics, electricity shortages or other similar national or local emergencies, that are beyond our control and not easily foreseeable. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, severe weather, terrorist attacks or other similar events, will be either uninsurable or insurable at such high rates that to maintain coverage would cause an adverse impact on the related investments. In general, losses related to terrorism can be hard and 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 will be insured against terrorism. If a major uninsured loss occurs, a Fund could lose both anticipated profits from and invested capital in the affected investments.

*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.

*No Established Market for Secondary Investments.* There is not an established market for Secondary Market Interests and although there has been an increasing volume of sales of Secondary Market Interests, no liquid market is expected to develop. Moreover, the market for Secondary Market Interests has been evolving and is likely to continue to evolve. There can be no assurance that the Funds will be able to identify sufficient Secondary Market Interests opportunities or that it will be able to acquire sufficient Secondary Market Interests on attractive terms. Equally, there can be no assurance that the Funds will be able to realize any portfolio investments at a price that reflects the interest's market value.

*Pooled Investments in Secondary Investments.* The Funds may have the opportunity to acquire a portfolio of interests in private companies and/or investment funds from a seller on an “all or nothing” basis. Interests in certain of the companies or investment funds in the portfolio may be less attractive than others, and certain of the companies or the sponsors of such investment funds may be more familiar to the Funds than others, or may be more experienced or highly regarded than others. In such cases, it may not be possible for the Funds to carve out from such purchases those investments which are considered (for commercial, tax, legal or other reasons) less attractive. In addition, it may be more difficult for us to successfully value and close on investments being sold on a pooled basis.

*Consequences of a Fund’s Failure to Satisfy Capital Calls of an Underlying Fund.* If a Fund does not timely meet its obligations to make capital contributions when due to any of its underlying investee funds, whether because of a lack of resources resulting from defaults by its limited partners, over-commitments by the general partner or by TPG, mismanagement of a Fund’s cash by the general partner or TPG, or any other reason, the Fund may be subject to significant penalties under the terms of the underlying investee fund, which could have a material adverse effect on the value of the Fund’s investment in such underlying investee fund.

*Restrictions on Solutions Transactions.* Limited partnership interests or other interests in which a Fund may seek to invest are highly illiquid and typically subject to significant transfer restrictions, including approval requirements from the underlying fund’s general partner in its sole discretion and other potential transfer restrictions. Completion of transfers is often time-consuming and difficult. There can be no assurance that the Fund will be successful in closing on acquisitions of secondary interest transactions, even in situations where it has signed a binding contract to acquire the investments.

*Fund Restructurings.* In the case where a Fund acquires an interest in an underlying investment fund as part of a fund restructuring or similar transaction, the returns from such underlying investment fund’s portfolio companies will depend significantly on the performance of the underlying fund and the management team of such underlying investment fund and could be substantially adversely affected by the unfavorable performance of such persons. Moreover, the historical performance of such underlying fund and management team is not a guarantee or prediction of their future performance, which can vary considerably. Further, in situations where the Fund undertakes a fund restructuring or a similar transaction in connection with an investment, existing limited partners in the relevant underlying investment fund may be unsupportive or recalcitrant, which may complicate the structuring of the investment and limit the Fund’s ability to fully implement the proposed restructuring of such underlying investment fund. In such circumstances, the returns from such investment may be substantially adversely affected.

*Risks in Successfully Implementing Operating Improvements.* In some cases, the success of the Fund’s investment strategy will depend, in part, on the ability of the management of a portfolio company to restructure and implement improvements in the operation of such portfolio company. The activity of identifying and implementing potential operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to successfully identify and implement such improvements. The performance of portfolio companies could be adversely affected, and the business and performance of a Fund may be adversely affected as a result thereof.

*Investment in Less Established Companies.* In addition to investing in established companies, a Fund may invest a portion of its assets in the securities of smaller, less established companies. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. The securities of such companies may be subject to more abrupt and erratic market price movements than larger, more established companies, since trading volumes for their securities are generally quite low. Less established companies tend to have a lower capitalization and fewer resources and, therefore, are often more vulnerable to financial failure. In addition, such companies may not be profitable at the time of investment and may experience substantial fluctuations in their operating results. The success of such companies may also depend on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would adversely affect their businesses. Such companies may also have shorter operating histories on which to judge future performance.

*Investments with Third Parties in Joint Ventures, Partnerships and Other Entities.* Funds may make co-investments with third parties through special purpose vehicles, partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain portfolio companies. Such Funds may not have control over these companies and, therefore, may have a limited ability to protect its position therein. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-investor may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take (or block) action in a manner contrary to such Fund's investment objectives. In addition, a Fund may, in certain circumstances, be liable for the actions of its third-party partners or co-investors. Investments made with third parties in joint ventures or other entities may involve fees payable to such third-party partners or co-investors.

#### Risks of the NewQuest Funds Relating to Investing in Asia Pacific

The NewQuest Funds' investments in the Asia Pacific region (including Australia and New Zealand) (the "Target Region") involve certain additional risks not typically associated with investments in other regions or more developed markets, including but not limited to the risks summarized below.

*Investments Generally; Political, Economic and Social Factors.* The Funds will primarily invest in the Target Region. Political and economic structures in countries with emerging economies or stock markets may lack social, political and economic stability and may undergo rapid and significant evolution and development. Many of the countries in the Target Region may be considered emerging market countries and are subject to significantly greater degrees of political and social instability than the United States. Accordingly, expropriation, confiscatory taxation, nationalization, political, economic or social instability or other developments could adversely affect the assets of the Funds held in the Target Region.

Governments of many of the countries in the Target Region (including those that are not considered emerging markets) have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in the country. Accordingly, government actions in the future could have significant effects on economic conditions in the Target Region, which could

affect private sector companies and the Funds, as well as market conditions and the prices and yields of Portfolio Investments. Certain of the countries in the Target Region have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies. As a result, the risks from investing in such countries, including the risks of nationalization or expropriation of assets, may be heightened. The Funds do not intend to obtain political risk insurance.

Some of the countries in the Target Region have experienced significant increases in the number and size of financially distressed companies caused by, among other factors, excessive capital investments, high levels of indebtedness and foreign currency exposure, weakening export prices, the practice of cross guarantees by companies within the same conglomerate and the increased willingness of certain countries to allow troubled companies and conglomerates to fail. As a result of corporate failures and high levels of short-term foreign currency borrowings from foreign financial institutions, financial institutions in certain of the countries in the Target Region have experienced a general increase in non-performing loans and a deterioration in their capital adequacy ratios. In addition, as a result of such economic difficulty, some of these countries have experienced incidents of political, labor and ethnic disturbances, which may in turn add to economic turmoil and adversely affect Portfolio Investments in the region.

*Investments in Developing Market Countries.* Many of the countries in the Target Region are developing market countries. Investments in developing market countries may be subject to more substantial risks in political and macro-economic conditions, such as significant currency fluctuations, interest rate volatility, stock market volatility, changes in governmental controls over the economy and high rates of inflation, any of which could contribute to a decline in business and consumer spending in addition to other adverse market conditions. Many developing market countries have experienced these problems in the past. We cannot assure that a recurrence of such problems will not have a material adverse effect on Portfolio Investments or make it more difficult for the Funds to identify appropriate investment opportunities.

Moreover, the economies of developing 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 the assets of the Funds or their underlying portfolio investments held in particular developing market countries. In addition, the economies of certain countries in the Target Region are vulnerable to weaknesses in world prices for their commodity exports or fluctuations of worldwide commodity prices.

**Political/Sovereign Risk.** With respect to any emerging market country, there is a heightened risk of nationalization, expropriation or confiscatory taxation, political changes, government regulation, economic or social instability or diplomatic developments (including war) which could affect adversely the economies of such countries and the value of Portfolio Investments in those countries. In addition, the inter-relatedness of the economies in emerging market countries has deepened over the years, with the effect that economic difficulties in one country often spread throughout the region. No assurance can be given that Portfolio Investments will not be adversely affected by circumstances in countries outside of where investments are located.

*Extensive Government Regulation.* The extensive government regulation of certain industries in which the Funds or their underlying portfolio investments may invest creates additional uncertainty and risks for the Funds. Obtaining regulatory approval may be a lengthy and expensive process with an uncertain outcome. Portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, and the failure to obtain approval could have a material, adverse effect on the success of the portfolio companies.

*Restrictions on Foreign Investment.* Foreign investment in the securities of issuers operating in the Target Region is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment in certain issuers in the Target Region and increase the costs and expenses borne by the Funds. Certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit investment by foreign persons to a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is deterioration in a country's balance of payments or for other reasons, a country may impose temporary restrictions on foreign capital remittances abroad. Non-convertibility of certain currencies may introduce an additional degree of uncertainty to determining values of investments held by the Funds or their underlying portfolio investments. The Funds 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 Funds or their underlying portfolio investments of restrictions on investments.

*Illiquidity of Portfolio Investments.* The Funds or their underlying portfolio investments will be investing in securities of privately held companies operating in the Target Region. The ability to dispose of such investments may be constrained by a general shortage of local capital and the absence of a developed merger and acquisition market for such investments. Accordingly, a Fund's ability to exit from a particular investment will depend largely on the terms of the agreements it or its underlying portfolio investments enter into at the time of the relevant investment as well as its own efforts. There can be no assurances that the Funds or their underlying portfolio investments will be able to dispose of their investments at the price and at the time it wishes to do so. Such illiquidity may continue even if the underlying companies obtain listings on their respective home country exchanges.

*Public Market Illiquidity and Regulation.* The securities markets of the Target Region are generally smaller and less liquid than major securities markets, such as the United States. A high proportion of the shares of many companies in the Target Region may be held by a limited number of persons. A limited number of issuers in most, if not all, securities markets in the Target Region may represent a disproportionately large percentage of market capitalization and trading value. The limited liquidity of securities markets in the Target Region may affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so. The illiquidity of Portfolio Investments may continue even if the underlying companies obtain listings on their respective home country exchanges. In addition, settlement systems in certain emerging market countries may be less developed than in more established markets and could impede a Fund's ability to effect transactions in these countries. A lower trading volume in the securities markets of the Target

Region as compared to certain other countries may also complicate exit strategies pursued by the Funds, by making dispositions of investments through a public offering potentially unfeasible. Further, disclosure and regulatory standards of securities markets in the Target Region are in many respects less stringent than U.S. standards. Furthermore, there may be a lower level of monitoring and regulation of the markets and the activities of investors in such markets, and enforcement of existing regulations may be extremely limited. Consequently, should the Funds or their underlying portfolio investments make investments through the public markets in the Target Region, the prices at which the Funds or their underlying portfolio investments may acquire investments may be affected by other market participants' anticipation of such investments, by trading by persons with material non-public information and by securities transactions by brokers in anticipation of transactions by the Funds or their underlying portfolio investments in particular securities.

*Currency Fluctuations.* The Funds will generally be exposed to significant foreign currency risk in their Portfolio Investments. A portion (in many cases a substantial portion) of the income and assets of the companies in which the Funds or their underlying portfolio investments will invest will be denominated in local currencies. To the extent that the U.S. dollar appreciates relative to these currencies, the U.S. dollar value of these investments is likely to be adversely affected. In addition, if the currency in which the Funds or their underlying portfolio investments receive dividends, interest or other types of payments (such as liquidating payments) declines in value against the U.S. dollar before such payments are distributed, the dollar value of these payments could be adversely affected if not sufficiently hedged. Further, the ability of the Funds and companies in which they directly or indirectly invest to convert freely between the U.S. dollar and the local currencies may be restricted or limited and, in a number of instances, exchange rates and currency conversion are controlled directly or indirectly by governments or related entities. In addition, because any distributions by the Funds to investors pursuant to the terms of the Governing Documents will be made in U.S. dollars, any subsequent conversion of such distribution proceeds to a currency other than the U.S. dollar will be subject to fluctuations of foreign exchange rates of such currency against the U.S. dollar. Because the Funds' investments will likely be denominated in currencies of the Target Region, changes in the value of these currencies against the U.S. dollar may well result in a corresponding change in the U.S. dollar value of the Funds' assets denominated in those currencies. The costs of hedging against these risks are often prohibitively expensive, and investors should not expect the Funds to hedge against such risks.

In particular, certain of the countries in the Target Region have experienced substantial devaluations compared to the U.S. dollar and further devaluations may occur in the future. Certain of the Target Region have implemented or may implement strict controls on foreign exchange, which may result in artificially pegged exchange rates that may distort the results of, and returns on, investments in such countries. Moreover, the Funds or their underlying portfolio investments may incur costs or experience substantial delays when, or be prohibited from, converting one currency into another.

*Government Involvement in the Economy.* For the past several years, many governments in the Target Region have followed policies of deregulating economic activity, thereby reducing the extent of their involvement in the business sectors of their local economies. Although these policies are continuing, these governments still exercise significant control over their respective economies. Governmental actions concerning the economy could continue to have an important



effect on entities doing business in the Target Region, and on market conditions, prices and returns on investments.

*Local Intermediary Risks.* Certain of the Funds' or their underlying portfolio investments' transactions may be undertaken through local brokers, banks or other organizations in the Target Region, and the Funds or their underlying portfolio investments will be subject to the risk of default, insolvency or fraud of such organizations. Such local brokers, banks and other organizations are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of insolvency. However, the practical effect of these laws and their application to the assets of the Funds or their underlying portfolio investments are subject to substantial limitations and uncertainties. There can be no assurance that any money advanced to such organizations will be repaid or that the Funds or their underlying portfolio investments would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose the Funds to a variety of risks including theft, loss and destruction.

*Tax and Regulatory Risk.* Investment by private equity and other investment firms in certain of the countries in the Target Region has attracted, and may continue to attract, scrutiny by tax and other regulatory authorities in such countries. Although we will continue to use reputable legal and tax advisors in connection with the investment activities of the Funds, there can be no assurance that such authorities will not audit, investigate or otherwise inquire as to the Funds' investment activities or that such authorities will not impose fines or penalties in connection therewith.

*Inflation.* Many of the countries in the Target Region have experienced substantial, and in some periods extremely high, rates of inflation in the past. Inflation and rapid fluctuations in inflation rates have had, and may in the future have, very negative effects on the economies and securities markets (both public and private) of certain of the countries in the Target Region. In an attempt to stabilize inflation, certain of the countries in the Target Region have imposed wage and price controls at times. Past governmental efforts to curb inflation in some countries have also involved more drastic economic measures that have had a material adverse effect on the level of economic activity in the countries where such measures were employed. Although inflation in a number of the countries in the Target Region has moderated somewhat in recent years, there can be no assurance that these lower rates of inflation will continue or that a return to higher rates will not have a material adverse effect on Portfolio Investments.

*Privatization Risk.* The Funds or their underlying portfolio investments may invest in state owned entities that have been or will be transferred from government to private ownership. It is difficult to predict whether there will be any further privatizations or what the terms or effects of such privatizations may be. There can be no assurance that any privatizations will be undertaken or, if so undertaken, that they will be successfully completed. There can also be no assurance that if a privatization is undertaken, the Funds will have the opportunity to participate. Investors should be aware that political changes or changes in economic factors could result in a shift in countries' policies on privatization. Should these policies change in the future, there is a possibility that governments may determine to return projects and companies to state ownership. In such a situation, the level of compensation that would be provided to the owners of the private companies concerned cannot be accurately predicted but could be substantially less than the amount invested in such companies.

*Interdependence of Securities Markets.* The individual securities markets of the Target Region are, to varying degrees, influenced by economic and market conditions in other securities markets. Although economic conditions are different in each country, investors' reaction to developments in one country can have effects on the securities of issuers in other countries in the Target Region. There can be no assurance that individual securities markets in the Target Region will not continue to be affected negatively by events elsewhere, or that such events will not adversely affect the value of the Funds' Portfolio Investments.

A slowdown in the economies of the United States, Europe and certain of the countries in the Target Region may adversely affect economic growth in other countries in the Target Region, many of which depend on exports to those countries. The economic performance of the Funds' Portfolio Investments could be adversely affected by any global economic downturn and by any worsening of the economic conditions in the Target Region and other global economies.

*Reporting Standards; Limited Information.* Companies in the Target Region are subject to accounting, auditing and financial standards and requirements that differ, in some cases significantly, from those applicable to U.S. companies. In particular, the assets and profits appearing on the financial statements of a company in the Target Region may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with U.S. generally accepted accounting principles. In addition, for companies that keep accounting records in local currency, inflation accounting rules in some of the countries in the Target Region require, for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet in order to express items in terms of currency of constant purchasing power while other countries do not permit such restatement. Inflation accounting may indirectly generate losses or profits or disguise true losses or profits. There is generally substantially less publicly available information about companies in the Target Region than there are reports and ratings published about U.S. companies. As a result of these factors, the due diligence activities of the Funds or their underlying portfolio investments may provide less information than due diligence reviews of companies in more developed countries. The lower standards of due diligence in certain countries will increase the risk related to the Portfolio Investments in these countries. While we will endeavor to conduct appropriate due diligence in connection with each investment, no guarantee can be given that they will obtain the information or assurances that an investor in a more sophisticated economy would obtain before proceeding with an investment.

*Difficulty of Bringing Suit.* Laws and legal standards differ in many of the countries in the Target Region from those in the United States. These laws and standards may have a material effect on the Funds' Portfolio Investments, as well as the general economic and political environment in each of the countries in the Target Region. The general trend of legislation in certain countries has somewhat enhanced the protection afforded foreign investment and has improved the legal climate for business. However, many of the countries in the Target Region do not have well-developed shareholder rights and provide inadequate legal remedies for breaches of contract (e.g., a shareholder agreement). Moreover, there can be no assurance that this trend in economic legislation will not be slowed, curtailed or reversed, particularly in the event of a change in leadership, social disruption or other circumstances affecting the social, political or economic status of certain countries. Such a shift could have a material adverse effect on the business and prospects of a company in which a Fund directly or indirectly invests.

The ability of the Funds to bring suit against an entity in which the Funds invest or such entity's directors, executive officers or shareholders may be limited. Such entities will likely be organized under the laws of countries other than the United States, their directors and officers are likely to reside outside of the United States, and substantially all of their assets may be located outside of the United States. As a result, it is likely that the Funds will be unable to effect service of process within the United States upon such entities or their directors and officers. Even where an entity is successfully sued in the United States, enforcement of the judgment in certain jurisdictions is impossible and in other jurisdictions may be difficult.

*Environmental Risks.* The Funds may face significant environmental liabilities in connection with the investments it makes in the Target Region. The historical lack of environmental regulation in some of the Target Region has led to widespread pollution of air, ground and water resources. The legislative framework for environmental liability has not been fully established or implemented. The extent of the responsibility, if any, for the costs of abating environmental hazards may be difficult to quantify when a Fund is considering an investment. The Funds may experience material losses due to these risks.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

Not applicable.

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

*TPG Capital BD, LLC.* Our affiliate TPG BD is a broker-dealer registered with the SEC and a member of FINRA.

For a description of compensation TPG BD and other affiliates receive and material conflicts of interest created by our relationships with TPG BD, please see Item 11 below.

*Other Investment Advisers.* The following investment advisers are affiliates of ours:

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

along with their respective relying advisers.

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

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

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

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

We have adopted a comprehensive Code of Ethics that is applicable to, among others, all of our officers and employees, certain temporary personnel and certain of our affiliates and their officers and employees (collectively, “Solutions Advisors 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.

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

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

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

Under the Code of Ethics, Solutions Advisors Personnel also are required to file certain periodic reports with the Chief Compliance Officer or his/her designee as required by Rule 204A-1 under the Advisers Act. The records of any such trades by Solutions Advisors 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 Solutions Advisors 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 Solutions Advisors Vehicle or prospective client upon request.

### ***Participation or Interest in Client Transactions; Related Person Investments***

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

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

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

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

- other Solutions Advisors Vehicles;
- 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 a Solutions Advisors Vehicle and another Solutions Advisors Vehicle or a Related Fund, we will seek to resolve the conflict or represent the interests of such Solutions Advisors Vehicle, respectively, and the applicable Related Adviser will represent the

interests of the Related Fund. In addressing conflicts, we and the other Related Adviser, as applicable, will consider various factors, including the interests of such Solutions Advisors Vehicle, the other Solutions Advisors Vehicle and the Related Fund, as applicable, in the context of both the immediate issue at hand and the longer-term course of dealing among such Solutions Advisors Vehicle and the Related Fund. In the case of all conflicts involving a Solutions Advisors Vehicle, 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 Solutions Advisors Vehicle will not make any investment unless we and the Solutions Advisors Vehicle's general partner believe that such investment is an appropriate investment considered from the viewpoint of such Solutions Advisors Vehicle;
- many important conflicts of interest may be resolved pursuant to set procedures, restrictions or other provisions contained in the relevant Governing Documents for the Solutions Advisors Vehicles;
- with respect to the Funds, the advisory committee for a Fund, whose members are not affiliated with the general partner of the Fund, generally play an important role in resolving conflicts of interest by, 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 referred to it by the Fund's general partner in accordance with the relevant Governing Documents;
- when we deem it appropriate in our sole discretion, unaffiliated third-party service providers will be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price. In addition, the willingness of a third-party investor to make an investment on the same or similar terms as a Solutions Advisors Vehicle may demonstrate the fairness of the transaction to such Solutions Advisors Vehicle;
- prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund; and
- in certain circumstances, we erect temporary or permanent information barriers to restrict the transfer of non-public information between business units.

While we endeavor to resolve all conflicts in a fair and impartial manner, there can be no assurance that our own interests will not influence our conduct and decisions.

### Potential Conflicts of Interest

The material conflicts of interest that a Solutions Advisors Vehicle encounters include those discussed below and elsewhere in this brochure. The following summary is not intended to be an exhaustive list of all 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 Solutions Advisors Vehicle's life. In particular, we may in the future identify additional conflicts of interest that currently are not apparent to us or the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as we develop new investment platforms or business lines and otherwise adapt to dynamic markets and an evolving regulatory environment. To the extent we identify conflicts of interest in the future, we may, but assume no obligation to, disclose these conflicts and their implications to investors in Solutions Advisors Vehicles through a variety of channels, including in subsequent brochures or in other written or oral communications to a Fund's advisory committee or investors more generally. The conflicts of interest described below apply to the TPG TGS Funds and, where applicable and to the extent consistent with their Governing Documents, the NewQuest Funds.

### *Principal Transactions*

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

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

Also, from time to time, our affiliates or those of the Related Advisers, who control, are controlled by or are under common control with us, the Related Advisers and/or our respective affiliates, may provide seed capital to a new Fund. In doing so, we, the Related Advisers and/or our respective affiliates may purchase securities that are later transferred into the Fund in exchange for a percentage ownership in such Fund. We review such transactions with outside counsel in an effort 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 Solutions Advisors Vehicle regarding any proposed principal transactions, if required by the Advisers Act or applicable law, and the Solutions Advisors Vehicle's prior consent to the transaction be received. In addition, the Governing Documents relating to the Solutions Advisors Vehicles typically contain additional restrictions on our ability or that of the Solutions Advisors Vehicles to engage in principal transactions and disclosures regarding principal transactions that are likely to arise in the operations of Solutions Advisors Vehicles.

### *Participation of TPG BD and Related Entities in Capital Markets Activity*

We leverage our internal expertise in structuring and executing a wide array of capital markets transactions across TPG, including those involving existing, prospective and former Portfolio

Investments. Examples of the ways in which we deploy our capital markets expertise include but are not limited to

- structuring, executing and at times underwriting initial public offerings, follow-on primary offerings and secondary offerings (including “block trades”) and private placements of equity securities;
- structuring, executing and at times underwriting high yield and other bond offerings;
- structuring, arranging and placing interests in loans, credit facilities, asset-based facilities, securitizations and similar debt instruments;
- structuring and arranging amendments to existing securities, credit facilities and other instruments;
- structuring and implementing interest rate, foreign exchange and other hedging or derivative strategies;
- structuring and executing other similar transactions to finance the Fund’s acquisition of a Portfolio Investment or to enable the Fund to monetize its interest in a Portfolio Investment;
- providing capital markets advice with respect to any of the foregoing transactions; and
- providing any other capital markets services that a third party may render to or with respect to an existing, prospective or former Portfolio Investment.

We expect the types of capital markets services we provide to evolve in light of market developments and industry trends.

Our registered broker-dealer, TPG BD and related entities typically receive compensation for the services we provide in connection with capital markets activities, including but not limited to those listed above. The compensation may take a variety of forms, including, for instance, a portion of the commission or discount paid to the investment banks that underwrite a securities offering, a fee for arranging the syndication or placement of debt financing or an advisory fee for facilitating the efficient execution by a Solutions Advisors Vehicle of a “block trade” to monetize its interest in a publicly traded portfolio company. Depending on the nature of the transaction, the Solutions Advisors Vehicle, the portfolio company or other parties to the transaction will pay the fee to TPG BD or a related entity. Any compensation we receive for providing capital markets services will not, subject to a Solutions Advisors Vehicle’s Governing Documents, offset the management fee or require the consent of the advisory committee. We generally intend to disclose annually to investors in the applicable Solutions Advisors Vehicles the amount of compensation we receive for capital markets services rendered in respect of Fund portfolio companies.

While we believe that our internal capital markets capabilities help maximize value for our funds, our ability to utilize TPG BD or a related entity in connection with the foregoing transactions gives rise to conflicts of interest. In general, we have an incentive to retain, or to exercise our control or



influence over a Portfolio Investment's management team so that it retains TPG BD (or a related entity) or otherwise transacts with TPG BD (or a related entity) instead of other unaffiliated broker-dealers or counterparties. For instance, TPG BD (or a related entity) could take the place of another investment bank in the syndicate underwriting a securities offering or act as the sole or lead financial institution on a transaction instead of a third-party bank. When involved in a particular transaction, TPG BD (or a related entity) has the incentive to seek higher fees or other favorable terms from the Solutions Advisors Vehicle, the Portfolio Investment or other counterparties, as well as to structure a transaction so that it benefits certain investors in the Solutions Advisors Vehicles or other third parties that are of strategic importance. For example, TPG BD could influence the placement of portfolio company securities or debt instruments so that investors who are sizeable investors in multiple Solutions Advisors Vehicles or Related Funds or who pay TPG BD a placement fee receive an allocation ahead of others. To the extent that our capital markets personnel face competing demands for their time and attention, we have an incentive to devote our limited capital markets resources to Portfolio Investments and transactions that would generate the highest fee for TPG BD (or related entities). TPG employees who provide capital markets services are under no obligation to prioritize the interests of a particular Solutions Advisors Vehicle or its investors in determining how to allocate their time across various projects within TPG.

In providing such services to, or with respect to, a competitor fund or company, TPG BD will not take into consideration the interests of the relevant Portfolio Investments or Solutions Advisors Vehicles.

We generally will evaluate any such transactions on a case-by-case basis to address any such conflicts. Transactions involving a Solutions Advisors Vehicle and TPG BD are also reviewed with regard to the appropriateness of the transaction and any fiduciary obligations. In addition, we review such transactions with outside counsel in an effort to ensure compliance with the requirements of Section 206(3) of the Advisers Act, in respect of principal transactions between any Solutions Advisors Vehicle and us and our affiliates (including TPG BD).

#### *Third-Party Placement Agents*

We from time to time enter into arrangements with third parties to raise capital for a Solutions Advisors Vehicle. 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 Solutions Advisors Vehicle. We can pay placement agent fees directly or cause the Solutions Advisors Vehicle to pay so long as we reduce the Solutions Advisors Vehicle'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 engage in a broad range of investment and advisory activities for our own account and for the accounts of investment funds. In connection with these activities, investment opportunities will arise that fall within the investment objectives or strategies of two or more Solutions Advisors Vehicles or Related Funds. We therefore expect to encounter situations in which we must

determine how to allocate investment opportunities among various Solutions Advisors Vehicles and other persons, which typically include the following:

- the Funds and Related Funds;
- 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 individuals and entities that are also investors in one or more Funds (which we refer to collectively as “Solutions Advisors Investors”) and/or individuals and entities that are not investors in any Funds;
- Solutions Advisors Investors and/or third parties that wish to make direct investments side-by-side with one or more Solutions Advisors Vehicles in particular transactions; and
- Solutions Advisors 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 Solutions Advisors Vehicles, including additional hedge funds, collateralized loan obligation issuers, infrastructure funds, life sciences funds, emerging market funds and other regional or sector-focused vehicles.

The Solutions Advisors Vehicles and Related Funds are generally subject to contractual investment allocation requirements, such as “duty to offer” provisions or clauses stipulating a specified allocation for certain types of investments. Many, though not all, Solutions Advisors Vehicles and Related Funds have “duty to offer” provisions, and these provisions are customized for each Solutions Advisors Vehicle and Related Fund in light of its mandate. For example, the “duty to offer” provisions of some Solutions Advisors Vehicles and Related Funds have a geographic or industry focus. These provisions typically carve out certain types of investment opportunities, including follow-on investments or dispositions by other Solutions Advisors Vehicles or Related Funds and overlap situations as described below. In certain cases, these “duty to offer” provisions will give a Solutions Advisors Vehicle or Related Fund contractual priority over certain investments even though such investments may fall within the “duty to offer” provisions or investment objectives of other Solutions Advisors Vehicles or Related Funds. We refer to these contractual investment allocation requirements, which are typically set forth in the Governing Documents of the Solutions Advisors Vehicles and Related Funds, as the “Investment Allocation Requirements.”

When making allocation decisions, we are guided by our contractual obligations to the Solutions Advisors Vehicles and Related Funds, as well as our allocation procedures and principles. For each allocation decision, we first apply the relevant Investment Allocation Requirements. Historically, applying the Investment Allocation Requirements has tended to result in the identification of a single Solutions Advisors Vehicle or Related Fund to pursue an investment opportunity. That is, we often conclude that an investment opportunity falls within the “duty to offer” of a single Solutions Advisors Vehicle or Related Fund and not any other Solutions Advisors

Vehicle or Related Fund, based on it being suitable for, and satisfying the other “duty to offer” criteria of, that Solutions Advisors Vehicle alone.

However, in some circumstances, which have grown in frequency as TPG has developed both new and existing investment platforms, the Investment Allocation Requirements are not determinative. In these cases, we generally 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 of the relevant Solutions Advisors Vehicles and Related Funds;
- 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 Solutions Advisors Vehicles’ and Related Funds’ current and projected capacity for investing (including for any potential follow-on investments);
- the relevant Solutions Advisors Vehicles’ and Related Funds’ targeted rate of return and investment holding period;
- the stage of development of the prospective portfolio company;
- the existing portfolio of investments of the relevant Solutions Advisors Vehicles and Related Funds;
- the investment opportunity’s risk profile;
- the expected life cycle of the relevant Solutions Advisors Vehicles and Related Funds;
- any investment targets or restrictions (*e.g.*, industry, size, etc.) for the relevant Solutions Advisors Vehicles and Related Funds;
- the ability of the relevant Solutions Advisors Vehicles and Related Funds to accommodate structural, timing and other aspects of the investment process; and
- legal, tax, contractual, regulatory or other considerations that we deem relevant.

TPG has established a committee, which we refer to as the “Allocation Committee,” to apply the above principles and make allocation decisions in situations where the investment interests of multiple Solutions Advisors Vehicles or Related Funds overlap. The composition of the Allocation Committee includes senior TPG professionals representing major investment platforms and TPG as a whole.

The relevance of each allocation principle will vary from investment opportunity to investment opportunity, with no single factor consistently outweighing the others. While we seek to apply a

generally consistent framework and approach, the facts and circumstances of each allocation decision remain determinative. The Allocation Committee makes allocation determinations based solely on its expectations at the time investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Solutions Advisors Vehicle or Related Fund in hindsight.

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 Solutions Advisors Vehicles.

We, a Solutions Advisors Vehicle and/or a Related Fund from time to time invest in the securities offerings of a Portfolio Investment held by another Solutions Advisors Vehicle or a Related Fund (including through initial public offerings), which would result in us and/or a Solutions Advisors Vehicle receiving an allocation of Portfolio Investment securities. In addition to conflicts of interest arising from the allocation of such securities, this arrangement also leads to similar conflicts described below, among other places, under “*Conflicts Related to Investing in Different Levels of the Capital Structure.*”

In making an allocation decision, additional conflicts of interest will arise. Specifically, because the Solutions Advisors Vehicles and Related Funds have different fee, expense and compensation structures, we have an incentive to allocate an investment opportunity to the Solutions Advisors Vehicle or Related Fund that would generate a higher fee or more carried interest. In addition, our professionals will generally participate indirectly in investments made by Solutions Advisors Vehicles in which they invest (see “*Conflicts Arising from Interests of Our Professionals in the Solutions Advisors Vehicles and Related Funds*”). We do not explicitly take such considerations into account in making allocation decisions and expect that our procedures and principles will help mitigate the risk that these incentives implicitly influence our allocation decisions.

An allocation decision may result in a single Solutions Advisors Vehicle or Related Fund being allocated an entire investment opportunity, or in multiple Solutions Advisors Vehicles and/or Related Funds sharing an investment opportunity on a basis approved by the Allocation Committee. For example, if we establish future Solutions Advisors Vehicles or Related Funds, the investment mandate of which overlaps in part or significantly with the investment mandate of a current Solutions Advisors Vehicle (e.g., a sector-specific fund that focuses on secondary investments in infrastructure, real estate, energy or other particular sector), it is expected that from time to time there will be circumstances in which an investment opportunity is allocated to both the current Solutions Advisors Vehicle and such other Solutions Advisors Vehicle or Related Fund or in which such other Solutions Advisors Vehicle or Related Fund is given priority over the current Solutions Advisors Vehicle with respect to participation in such investment opportunity.

Allocating all or any portion of an investment opportunity to, for example, a Related Fund instead of a Solutions Advisors Vehicle will reduce the amount available to the Solutions Advisors Vehicle for investment. In certain cases, a Solutions Advisors Vehicle will decline to pursue an investment opportunity if it determines its allocation is too small to be appropriate for it.

Even when we determine that all or part of an investment opportunity should be allocated to a particular Solutions Advisors Vehicle or Related Fund, the Governing Documents of Solutions Advisors Vehicles allow us, in our complete discretion and notwithstanding our other allocation principles, to offer to other Solutions Advisors Vehicles, Related Funds or co-investors a certain amount of the portion of such opportunity allocated to such Solutions Advisors Vehicle. This right is separate from and in addition to our ability to allocate co-investment from “overage” after the Solutions Advisors Vehicle receives its appropriate allocation. We typically are able to exercise this right in a variety of ways, including on a deal-by-deal or more systematic basis. If we elect to exercise this right with respect to any investment opportunity, we could be awarding the other Solutions Advisors Vehicles or Related Funds (and their respective investors) or co-investors greater exposure to the investment than they would otherwise receive. Such Solutions Advisors Vehicles, Related Funds or co-investments may generate more fees, carried interest or other compensation than we would have received from the Solutions Advisors Vehicle to which the investment opportunity should be allocated.

We at times will not determine final allocations among Solutions Advisors Vehicles and/or Related Funds until after certain expenses or other amounts have already become due and payable. In these circumstances, a Solutions Advisors Vehicle could initially bear the full amount of an upfront payment or expense, even if another Solutions Advisors Vehicle or Related Fund ultimately participates in the investment. In such a circumstance, the other Solutions Advisors Vehicle or Related Fund would reimburse the Solutions Advisors Vehicle for its proportionate share of such payment or expense when we determine the final allocation of the investment opportunity among the Solutions Advisors Vehicle and the other Solutions Advisors Vehicle or Related Fund. While highly unlikely, it is possible that the other Solutions Advisors Vehicle or Related Fund could default on its obligation to reimburse the Solutions Advisors Vehicle.

TPG organizes and sponsors separate public investment vehicles whose purpose is to make a single investment (each such vehicle, a “Special Purpose Acquisition Company”). TPG typically acquires “founder” shares and occasionally other securities of such Special Purpose Acquisition Companies. Any return or other amounts TPG earns with respect to those securities or otherwise as sponsor of a Special Purpose Acquisition Company will not reduce the advisory fees or carried interest payable by any Solutions Advisors Vehicles. As Special Purpose Acquisition Companies are organized when Solutions Advisors Vehicles have active investment periods, they may raise conflicts of interest similar to those that arise among Solutions Advisors Vehicles and Related Funds, including with respect to the allocation of investment opportunities and expenses. For example, a Special Purpose Acquisition Company could invest in an opportunity a Solutions Advisors Vehicle initially considered and may therefore benefit from the Solutions Advisors Vehicle’s prior diligence, potentially without any corresponding obligation to reimburse the applicable Solutions Advisors Vehicle for the cost of the diligence or related expenses.

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

From time to time, we have the option to offer one or more Solutions Advisors Investors, Co-Investment Vehicles, Related Funds, investors in Related Funds or third parties the opportunity to invest alongside a Fund, or “co-invest,” in an investment a Fund is making either directly or through a TPG-controlled vehicle established to invest in one or more co-investment opportunities. This situation generally arises when the amount of equity capital necessary to complete a

transaction exceeds the amount we determine is appropriate for the Fund, after taking into account additional capital to be contributed by other Funds and any

- co-underwriters;
- co-sponsors (including other third-party managed pooled investment vehicles in which we or Solutions Advisors Personnel may hold an interest);
- Senior Advisors (and the funds 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 sometimes 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 and as described in the following paragraphs.

Subject to any restrictions contained in the Governing Documents of the relevant Solutions Advisors Vehicle or any side-letter or other terms negotiated with respect to such Solutions Advisors Vehicle, 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
  - Related Funds;
  - Solutions Advisors Investors;
  - Senior Advisors (and the funds they manage);
  - Solutions Advisors Personnel;
  - Co-Investment Vehicles;
  - investors in Related Funds;
  - prospective investors in one or more Funds or Related Funds;
  - consultants;
  - advisors;

- strategic partners; or
- other third parties;
- we generally are under no obligation to offer to Solutions Advisors Investors any co-investment opportunities;
- we can offer co-investment opportunities selectively to some Solutions Advisors Investors and not offer them to all Solutions Advisors Investors;
- allocations of co-investment opportunities between Solutions Advisors Investors will not correspond to their pro rata interests in the relevant Solutions Advisors Vehicle;
- we may agree to offer certain Solutions Advisors Investors preferential access to co-investment opportunities on a systematic basis (for example, by granting a Solutions Advisors Investor either the right to co-invest in each investment that meets specific criteria or a certain amount of co-investment opportunities over the life of the Solutions Advisors Vehicle), including in connection with broader strategic relationships or other arrangements where investors agree to invest in a Solutions Advisors Vehicle or Related Fund; 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, we may consider factors which benefit us, our affiliates and our Related Advisers, and the most important factors are:

- certainty of funding—that is, whether the potential co-investor has the financial resources to provide the requisite capital in a timely fashion;
- certainty of execution—that is, the sophistication and experience of the potential co-investor and its ability to promptly respond to and complete a co-investment opportunity, including if any investor has granted TPG investment discretion in respect of its co-investments;
- any contractual obligations to provide co-investment opportunities and related remedies or whether we have previously expressed a general intention to seek to offer co-investment opportunities to the potential co-investor;
- the size of the potential co-investor’s actual or proposed commitment to Solutions Advisors Vehicles and/or Related Funds and the anticipated importance of the potential co-investor to future TPG fundraising campaigns, including whether such person has demonstrated a long-term and/or continuing commitment to the success of TPG and/or its funds;

- the ability of the potential co-investor to invest in potential follow-on investments in respect of the co-investment opportunity;
- any economic arrangements with the potential co-investor, including the payment of any fee and/or carried interest to TPG;
- the likelihood that the potential co-investor would require governance rights that would complicate or jeopardize the transaction (or, alternatively, whether the potential co-investor would be willing to assume a more passive role in such co-investment opportunity);
- the tax profile of the potential co-investor and the tax characteristics of the co-investment opportunity;
- whether the potential co-investor has any existing position in the co-investment opportunity;
- the ability of the potential co-investor to make a meaningful contribution to the transaction, such as in sourcing or completing the transaction or providing operational skills or insight; and
- the overall strategic benefit to the transaction, the Solutions Advisors Vehicle or TPG of offering a co-investment opportunity to the potential co-investor.

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

- the expertise of the potential co-investor with respect to the geographic location, business activities or industry of the prospective target company;
- the investment objectives and existing portfolio of the potential co-investor;
- the tax, legal or regulatory constraints to which the proposed investment is expected to give rise;
- 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.

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

Our exercise of 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 a Fund's investment



in the Portfolio Investment. For example, co-investors generally pay no advisory fees or carried interest in connection with the co-investment, or pay them at a lower rate than the investors in the Fund or Funds with which they are co-investing. Co-investors may also acquire their interest in a Portfolio Investment at the same time as the Solutions Advisors Vehicles or purchase their interest from the applicable Solutions Advisors Vehicles after such Solutions Advisors Vehicles have consummated the investment in the Portfolio Investment (also known as a post-closing sell down or transfer). In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. When co-investors purchase their interest from the Solutions Advisors Vehicle after the Solutions Advisors Vehicle has consummated the investment, the price paid by co-investors is typically determined by the Solutions Advisors Vehicle's general partner in its sole discretion. The price may not reflect the full cost incurred by the Solutions Advisors Vehicle in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the investment (if applicable) or the risk borne by the Solutions Advisors Vehicle in connection with purchasing and warehousing the investment.

The amount of fees for Related Services generated as a result of co-investments in connection with any Portfolio Investment will often not reduce the advisory fees paid by the Solutions Advisors Vehicles and will therefore be retained by us. The allocation of co-investment opportunities will, in many or all cases, also involve a benefit to us in addition to the receipt of such fees for Related Services including the receipt of advisory fees or allocation of carried interest from the co-investor. As a result of the foregoing, we could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement or economic terms.

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

In 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. Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. 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 a Fund that is not syndicated to co-investors as anticipated could significantly reduce the Fund's overall investment returns. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

### *Allocation of Fees and Expenses for Broken Deals*

We employ the same procedures and principles as described above under “*Allocation of Investment Opportunities*” when allocating fees and expenses incurred in connection with “broken deals,” or potential investments that we actively consider but do not consummate. That is, we generally make fee and expense allocation decisions while a transaction is pending based on our best judgment of the Solutions Advisors Vehicle or Vehicles and/or Related Fund or Funds to which we will ultimately allocate the transaction. This judgment is necessarily subjective, especially when a transaction is terminated at an early stage. When we abandon an opportunity, absent a factual development to the contrary, we will allocate the fees and expenses for such transaction to such Fund or Funds and/or Related Fund or Funds. The allocations of fees and expenses among Funds may not be proportional. For example, to the extent one or more Related Funds were involved in a broken deal with one or more Solutions Advisors Vehicles, the fact that the Related Funds at times have different expense reimbursement terms, including with respect to advisory fee and similar offsets, could result in the Solutions Advisors Vehicles bearing different levels of expenses with respect to the same investment. As discussed above in Item 5, in certain instances we will evaluate investment opportunities that, if consummated, we would likely offer in part to prospective co-investors. If such a potential investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment and co-investment (including reverse termination fees, organizational expenses of a portfolio investment, extraordinary expenses such as litigation costs and judgments and other expenses) will typically be borne entirely by the Solutions Advisors Vehicle (and any Related Funds that would have participated in such investment), rather than by any such prospective co-investors (including affiliated co-investors).

The financial position of the relevant Solutions Advisors Vehicle and/or Related Fund may give us an incentive to allocate such fees and expenses to one such Solutions Advisors Vehicle or Related Fund and not another. For example, it would be advantageous to allocate broken deal fees and expenses to a Solutions Advisors Vehicle and/or Related Fund that is not expected to pay carried interest to its general partner, as the fees and expenses would not affect the amount of carried interest paid—it would be zero in any case. Conversely, it typically would be disadvantageous as an economic matter to allocate broken deal fees and expenses to a Solutions Advisors Vehicle 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 help mitigate the risk that financial incentives implicitly influence the allocation of broken deal fees and expenses.

### *Allocation of Other Fees and Expenses*

From time to time, we determine whether to allocate certain other fees and expenses among Solutions Advisors Vehicles, Related Funds and TPG. In exercising our discretion to allocate such fees and expenses, we face a variety of potential conflicts of interest. We will generally allocate fees and expenses to be split between us and the Solutions Advisors Vehicles and/or Portfolio Investments (including fees and expenses incurred in the offering of the Solutions Advisors Vehicle, management of the Solutions Advisors Vehicle, and investment opportunities), in each case in accordance with the Solutions Advisors Vehicle’s Governing Documents. To the extent not addressed in the Governing Documents, we generally will allocate such fees and expenses in

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

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

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

#### *Allocation of Secondary Transfer Opportunities of Solutions Advisors Vehicle Interests*

To the extent we have discretion over a secondary transfer of interests in a Solutions Advisors Vehicle pursuant to such Solutions Advisors Vehicle's Governing Documents, or if we are asked to identify Solutions Advisors Investors or third parties that could potentially acquire an interest being transferred, we will consider the factors listed above under "*Allocation of Co-Investment Opportunities*" in exercising such discretion or making such identification.

#### *Conflicts Related to Transactions with Other Solutions Advisors Vehicles or Related Funds*

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

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

We and the Related Advisers may receive management or other fees in connection with our management of the relevant Solutions Advisors Vehicles and/or Related Funds involved in such a transaction or in connection with the transaction itself, and may also be entitled to share in the investment profits of the relevant Solutions Advisors Vehicles 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 seek to cause a Solutions Advisors Vehicle to engage in such transactions only if we determine that the terms and conditions of such transaction are substantially as advantageous to such Solutions Advisors Vehicle as the terms it would obtain in a comparable arm's-length transaction with a third party. For additional

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

#### *Investing Alongside Other Solutions Advisors Vehicles or Related Funds*

Solutions Advisors Vehicles (indirectly through their Portfolio Investments) and one or more other Solutions Advisors Vehicles or Related Funds may at times make investments in the same company. The investments and/or transactions of a Portfolio Investment, including any acquisition and/or sale of any such company held by both such Portfolio Investment and one or more other Solutions Advisors Vehicles or Related Funds, are generally not subject to the management or control of the Solutions Advisors Vehicle or its general partner, and in such situations where neither the Solutions Advisors Vehicle nor its general partner has control over the Portfolio Investment or its investment decisions, we are not required to obtain consent from either the Solutions Advisors Vehicle’s advisory committee or investors generally with respect to potential conflicts between the Solutions Advisors Vehicle and such other Solutions Advisors Vehicles or Related Funds. For example, a Solutions Advisors Vehicle may acquire interests in a Portfolio Investment that (i) holds a portfolio company in which one or more other Solutions Advisors Vehicles or Related Funds also invests, (ii) buys a portfolio company from one or more other Solutions Advisors Vehicles or Related Funds, (iii) sells a portfolio company to one or more other Solutions Advisors Vehicles or Related Funds, (iv) acquires a portfolio company in which one or more other Solutions Advisors Vehicles or Related Funds declined to invest (or vice versa) or (v) holds a company that competes against a portfolio company of another Solutions Advisors Vehicle(s) or Related Fund(s), in each case, without the consent of the Solutions Advisors Vehicle’s advisory committee or investors generally.

Portfolio Investments may make or exit their investments at different times, at different effective prices or with differing costs or terms than other Solutions Advisors Vehicles or Related Funds investing in the same Portfolio Investment. For example, a Related Fund may invest in the publicly traded securities of a Solutions Advisors Vehicle portfolio company, including by purchasing these securities in an initial public offering, in a secondary offering by a portfolio investment or in the open market. The Related Fund’s view of the investment and its interests may diverge from those of a portfolio investment of the Solutions Advisors Vehicle. This could cause the Related Fund to dispose of, increase its exposure to or continue to hold the investment at a time when the portfolio investment has taken a different approach. As a result, the actions of the Related Fund could affect the value of the Portfolio Investment’s investment in such portfolio company. For instance, a sale by the Related Fund of its investment could put downward pressure on the value of the portfolio investment’s interest (and, indirectly, the Solutions Advisors Vehicle’s interest), which the portfolio investment has opted to hold longer term. The Related Fund is under no obligation to act in a way that furthers or protects the interests of the portfolio investment or the Solutions Advisors Vehicle. The Related Fund could earn a return on its investment that exceeds the portfolio investment’s return. In addition, because we have an incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) or because the term of one Solutions Advisors Vehicle or Related Fund may expire before the end of the term of another Solutions Advisors Vehicle or Related Fund, such Solutions Advisors Vehicle or Related Fund may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These

variations in timing may be detrimental to a Solutions Advisors Vehicle. At the same time, if we determine it is advisable for a Solutions Advisors Vehicle or Related Fund to exit an investment at the same time as another Solutions Advisors Vehicle or Related Fund, the term of which may expire sooner than the former vehicle's, such Solutions Advisors Vehicle may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments.

In the event one Solutions Advisors Vehicle is unable to fund its share of additional capital (e.g., in the event such Solutions Advisors Vehicle does not have sufficient available capital), the other Solutions Advisors Vehicle may be obligated to fund more than its share of such amount. In such event, one Solutions Advisors Vehicle will gain greater exposure to such investment than may have been intended and the other Solutions Advisors Vehicle will be diluted in such investment. The returns of each Solutions Advisors Vehicle may be negatively impacted as a result of the foregoing.

A Solutions Advisors Vehicle (or its Portfolio Investment) will from time to time invest in opportunities that other Solutions Advisors Vehicles or Related Funds have declined, and likewise, a Solutions Advisors Vehicle (or its Portfolio Investment) will from time to time decline to invest in opportunities in which other Solutions Advisors Vehicle or Related Funds have invested.

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

#### *Conflicts Related to Investing in Different Levels of the Capital Structure*

The Solutions Advisors Vehicles and Related Funds invest in a broad range of asset classes throughout the corporate capital structure, including, but not limited to, preferred equity securities and common equity securities; certain Related Funds also engage in short selling. Accordingly, it is possible that a Solutions Advisors Vehicle (indirectly through its Portfolio Investments) will hold an interest in one part of a company's capital structure while another Solutions Advisors Vehicle or Related Fund holds an interest in another; similarly, a portfolio investment of a Solutions Advisors Vehicle may be "long" a company that a Related Fund is "short". Decisions taken by the other Solutions Advisors Vehicle or Related Fund in these circumstances to further its interests may be adverse to the interests of the Solutions Advisors Vehicle and its portfolio investments.

For example, a Solutions Advisors Vehicle may invest in a portfolio investment that could acquire a significant equity stake in a company whose securities of a different priority are already held by another Solutions Advisors Vehicle or Related Fund. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a Portfolio Investment. Through a secondary acquisition, the other Solutions Advisors Vehicle or Related Fund could take actions, consistent with its obligations to maximize the return to its investors, that would be adverse to the interests of such portfolio investment (and, indirectly, the Solutions Advisors Vehicle). The other Solutions Advisors Vehicle or Related Fund would be

under no obligation to take any action or refrain from taking any action to prevent or mitigate any losses by the Solutions Advisors Vehicle and its portfolio investments.

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 Solutions Advisors Vehicle, as an equity owner, would desire. In addition, a Fund may participate in releveraging and recapitalization transactions involving Portfolio Investments in which Related Funds have invested or will invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. Investments by more than one of TPG's clients in a Portfolio Investment also raise the risk of using assets of one of TPG's clients to support positions taken by other clients of ours. While expected to be very infrequent, similar conflicts could arise to the extent that TPG BD holds securities of a portfolio company.

#### *Conflicts Related to Other Investments by Solutions Advisors Vehicles and Related Funds*

A Solutions Advisors Vehicle (or its Portfolio Investment) or a Related Fund occasionally invests in a competitor or customer of, or service provider or supplier to, a Portfolio Investment of another Solutions Advisors Vehicle (or its portfolio company). In addition, Solutions Advisors Personnel may serve as directors, or otherwise be associated with, companies that are competitors of portfolio companies of certain Solutions Advisors Vehicles or their Portfolio Investments. A Portfolio Investment of a Solutions Advisors Vehicle may also compete with a Related Fund or other Solutions Advisors Vehicle for investment opportunities. These circumstances would give rise to a variety of conflicts of interest. For example, a Related Fund or its portfolio company may take actions for commercial reasons that have adverse consequences for the Solutions Advisors Vehicle or its Portfolio Investment, such as seeking to increase its market share at the portfolio company's expense (as a competitor), withdrawing business from the portfolio company in favor of a competitor that offers the same product or service at a more competitive price (as a customer), increasing prices in lock-step with other enterprises in the industry (as a supplier) or commencing litigation against the portfolio company (in any capacity). Another Solutions Advisors Vehicle 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 Solutions Advisors Vehicle or its Portfolio Investment as a result of confidentiality requirements or applicable law, even though such action or disclosure would be in the Solutions Advisors Vehicle's and portfolio investment's interests. In addition, to the extent not restricted by confidentiality requirements, we generally will apply the experience obtained by managing the Solutions Advisors Vehicles to benefit Related Funds. Related Advisers are under no obligation to take into account the Solutions Advisors Vehicles' interests in advising their Portfolio Investments.

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

The Solutions Advisors Vehicles and Related Funds regularly obtain non-public information regarding target companies and other investment opportunities. Since TPG does not currently maintain permanent information barriers among most of its businesses, we generally impute non-public information received by one investment team to all other investment professionals, including all of the personnel who make Solutions Advisors Vehicle investments. In the absence of an information barrier, if a Solutions Advisors Vehicle or Related Fund receives non-public information with respect to a company, other Solutions Advisors Vehicles may face, as a result of securities law prohibitions on trading on the basis of material non-public information, restrictions on their ability to pursue a transaction with a portfolio investment that is invested in such company. Moreover, the confidentiality agreements the Solutions Advisors Vehicles and Related Funds enter into often include provisions, such as “standstills,” that may prevent the Solutions Advisors Vehicles from making an investment, potentially for extended periods.

In addition, some Related Funds regularly trade securities and debt instruments in the secondary market. In the absence of information barriers, a Solutions Advisors Vehicle’s receipt of non-public information on a particular company from its portfolio investments 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 Related Funds with respect to that company. In certain circumstances, a Solutions Advisors Vehicle will have an incentive to avoid taking actions that would impede the operation of another Solutions Advisors Vehicle or Related Fund. For example, a Solutions Advisors Vehicle may decline to receive non-public information on a company or otherwise pursue an investment opportunity if doing so would prevent Related Funds from trading securities or debt instruments currently in their portfolio or of interest to them.

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

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

While TPG generally allows for information to flow freely among its investment platforms, TPG occasionally places certain discrete businesses behind information barriers and hires separate teams to manage them. Given that we have “walled off” these businesses from TPG’s solutions-oriented investing platform, they generally do not have access to information about the Solutions Advisors Vehicles and their investments and have different day-to-day management from the Solutions Advisors Vehicles. Accordingly, these “walled-off” businesses may not be subject to certain restrictions otherwise applicable to affiliates under certain Solutions Advisors Vehicles’ Governing Documents.

### *Conflicts Arising from Other Investment Activities of the Solutions Advisors Vehicles and Related Funds – Certain Bankruptcy Implications*

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

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

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

### *Conflicts Relating to the Use of Leverage*

Certain Solutions Advisors Vehicles 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 Solutions Advisors Vehicle'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

##### *Governing Document Parameters for Fund-Level Borrowing*

From time to time, Solutions Advisors Vehicles, directly or indirectly, borrow funds or enter into other financing arrangements to

- pay expenses (including advisory fees),
- in connection with or to make, finance or support new or follow-on investments,



- make payments under guarantee, surety or hedging transactions,
- fund the payment of any withholding or other tax on behalf of or with respect to any investor,
- cover any shortfall in capital contributions resulting from default, excuse or exclusion, and
- make or facilitate distributions of proceeds from investments.

We refer to these borrowings generally as “fund-level borrowing.” Governing Documents generally permit Solutions Advisors Vehicles to borrow for these purposes subject to certain exceptions and restrictions. Typically, a Fund (or one or more Fund special purpose vehicles) enters into one or more credit facilities (commonly referred to as “subscription lines” or a “subscription facility”) as credit parties. In the following discussion, we refer to these collectively as the “credit facility.” For tax, legal, regulatory, administrative or similar reasons, we expect in certain cases to use special financing subsidiaries of Solutions Advisors Vehicles to engage directly in borrowing in lieu of, and with full credit support from, such Solutions Advisors Vehicles. The general partner of the Fund determines the credit facility’s administrative agent, lenders and terms (and any amendment, extension, refinancing, replacement or termination of the credit facility) without seeking the consent of the Fund’s investors or the 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 lenders’ assessment of the creditworthiness of each Fund investor. The lenders are likely to provide a Fund varying levels of credit, or no credit at all, for different investors, but all Fund investors would generally still participate in the benefits and risks associated with a credit facility’s use as described below. 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 could also be secured by other collateral, including the Fund’s investments, and any investor claim against the Fund would likely be subordinate to the Fund’s obligations to the credit facility’s creditors. While Funds tend to be the only Solutions Advisors Vehicles to engage in fund-level borrowing, the following discussion assumes that Co-Investment Vehicles also borrow from time to time.

Utilizing the credit facility to borrow funds in advance or in lieu of calling capital affords us flexibility to manage cash flows to and from a Solutions Advisors Vehicle’s investors and ease the investors’ burden of responding to multiple capital calls. It also allows a Solutions Advisors Vehicle 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 Solutions Advisors Vehicle's investors and, in limited circumstances, can also be secured by other Solutions Advisors Vehicle assets, a lender could foreclose on the pledged collateral, including the investors' capital commitments and, only if applicable, the Solutions Advisors Vehicle'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 Solutions Advisors Vehicle would likely be subordinate to the Solutions Advisors Vehicle'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 Solutions Advisors Vehicle'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. Because the credit facility's interest rate is based in part on the creditworthiness of all the Solutions Advisors Vehicle's underlying investors and the terms of the applicable Governing Documents, it may be higher than the interest rate a single investor could obtain individually. To the extent a particular investor's cost of capital is lower than the Solutions Advisors Vehicle's cost of borrowing, fund-level borrowing can negatively impact an investor's overall individual financial returns even if it increases the Fund's reported net returns, as described below.

A credit agreement may contain other terms that restrict the activities of the Solutions Advisors Vehicle and the investors or impose additional obligations on them. For example, the credit facilities may impose restrictions on the ability of the Solutions Advisors Vehicle's general partner to consent to the transfer of an investor's interest in the Solutions Advisors Vehicle. In addition, in order to secure the credit facility, we may request certain financial information and other documentation from investors to share with lenders. We often have significant discretion in negotiating the terms of any credit facility and may agree to terms that are not the most favorable to one or all investors.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a credit facility allows us to fund investments and pay Solutions Advisors Vehicle 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 Solutions Advisors Vehicle. 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.

### *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 certain net internal rates of return and net multiples-of-money, in the Solutions Advisors Vehicle's periodic reports and marketing materials for other Solutions Advisors Vehicles and Related Funds. These

performance metrics measure investors' actual cash outlays to, and returns from, the Solutions Advisors Vehicle and thus depend on the amount and timing of investor capital contributions to the Solutions Advisors Vehicle and Solutions Advisors Vehicle distributions to investors. To the extent the Solutions Advisors Vehicle uses borrowed funds in advance or in lieu of calling capital, investors make correspondingly later or smaller capital contributions. Also, borrowing to make 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 Solutions Advisors Vehicle must receive before the Solutions Advisors Vehicle'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 Solutions Advisors Vehicle 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 Solutions Advisors Vehicle 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 Solutions Advisors Vehicle's investors would otherwise be entitled had we called capital, and thus could allow the Solutions Advisors Vehicle's general partner to receive carried interest sooner than it would without borrowing.

#### *Impact on Advisory Fee Calculation*

The advisory fee payable by investors in Solutions Advisors Vehicles depends, during certain periods of a Solutions Advisors Vehicle's life, on the amount of the investors' "actively invested capital." An investor's "actively invested capital" generally includes 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.

#### Other Forms of Financing

In addition to fund-level borrowing, we are generally able to utilize leverage at the level of a portfolio company or at one or more special purpose vehicles formed to invest in or hold one or more portfolio companies. These other forms of financing are not restricted by the Governing Documents. Borrowings by entities other than a Solutions Advisors Vehicle that are generally not directly or fully recourse to a Solutions Advisors Vehicle in the ordinary course typically will not constitute fund-level borrowing for the purpose of applying the Governing Documents' limitations on borrowings, and the loan proceeds will not necessarily be distributed (or deemed distributed) to the Solutions Advisors Vehicle or its investors.

### *Portfolio Company Leverage*

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

### *Special Purpose Vehicle Leverage*

A special purpose vehicle a Solutions Advisors Vehicle forms to hold one or more investments may also engage in borrowing. For example, special purpose vehicles could enter into asset-backed loan arrangements, including a "margin loan" whereby they borrow money from a bank and pledge the interests in one or more underlying portfolio companies (or other assets) as collateral for the loan. The special purpose vehicles could then use the loan proceeds for a variety of purposes, including to make investments (including follow-ons in the portfolio companies subject to the loan arrangement or new and unrelated investments), to pay expenses or to distribute the proceeds to the Solutions Advisors Vehicle for further distribution to investors. Under these arrangements, the special purpose vehicle would typically be subject to a margin call if the value of the underlying assets decreases significantly. In order to meet the margin call, the special purpose vehicle would need additional assets to avoid foreclosure, in which case the Solutions Advisors Vehicle could decide to contribute additional capital to the special purpose vehicle to avoid adverse consequences to the investment(s), including foreclosure on the collateral at a lower valuation. This type of leverage may be incurred by a single special purpose vehicle or by multiple vehicles, and may be collateralized by a single investment or multiple investments. Similarly, special purpose vehicles that hold one or more investments (including all of a Solutions Advisors Vehicle's investments) may issue preferred equity or other equity or debt-like instruments to third-parties that have many characteristics of leverage, and use the proceeds thereof for similar purposes.

### *Certain Risks and Costs of Leverage Below a Fund*

Even though it presents many of the same risks as Fund-level borrowing, indebtedness of entities other than a Fund will not be treated as Fund-level borrowing for purposes of the Governing Documents, even if the special purpose vehicles or other entities incurring such leverage engage in borrowings that are cross-collateralized with or among multiple investments such that multiple investments and a substantial portion of a Fund's value are at risk. As a result, these borrowings will not be subject to any limitations on Fund-level borrowing in the Governing Documents. Since we have more flexibility to engage in these structures, we are incentivized to incur significant leverage at the level of holding vehicles beneath a Fund. The negative performance of one asset may materially and adversely impact the performance of other investments or a Fund as a whole.

## Fund Guarantees

In addition to Fund-level borrowing, certain Solutions Advisors Vehicles expect to act (including on a joint and several basis with related investment entities) as guarantors or sureties when we consider it necessary, appropriate or incidental to the accomplishment of the purposes of the applicable Solutions Advisors Vehicles. Fund guarantees of third-party indebtedness outstanding at any given time are permitted under the Governing Documents of certain Funds, and are typically subject to a cap. A Fund guarantee is sometimes beneficial for increasing the availability, type or amount of financing for the borrower or allowing the borrower to negotiate more favorable terms from the lenders. Some examples of how we expect to use Fund guarantees, or other forms of Fund surety, with respect to the indebtedness of other entities include

- *Portfolio company indebtedness:* As described above, portfolio companies will incur indebtedness. A Fund could provide a guarantee of a portfolio company's borrowing.
- *Qualified borrower structures:* A portfolio company (or special purpose vehicle of a Fund) could join a Fund's credit facility, and borrow amounts directly under it, as a "qualified borrower," with the Fund providing a guarantee of the borrowing. The portfolio company or special purpose vehicle is an obligor under the loan, receives the loan proceeds and has responsibility for its repayment. However, in the event of default, the lender would have recourse to the Fund under the guarantee without a requirement to first attempt to collect from the portfolio company or special purpose vehicle.
- *Asset-based loans:* Special purpose vehicles we form to hold one or more investments could engage in borrowing, which may include pledging its investments as collateral for the loan. A Fund could provide a guarantee of this borrowing.

Often these arrangements are put in place concurrently with the closing of the applicable Fund investment and can help finance a Fund's payment of the purchase price of its investments. Other times, these arrangements can be put in place after the investment(s) have been made, often after they have appreciated in value.

If we utilize a Fund guarantee where we expect to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital at a portfolio company or investment holding vehicle, and 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.

## Other Fund Contractual Obligations

In connection with its investing activities, a Solutions Advisors Vehicle expects to enter into contractual arrangements, including deferred or contingent purchase price payments, staged funding obligations, earn outs, milestone payments, equity commitment letters and other forms of credit support and other contractual undertakings such as indemnification obligations or so-called "bad-boy" guarantees, that obligate it to fund amounts to special purpose vehicles, portfolio companies or other third parties. These arrangements do not constitute Fund-level borrowings or Fund guarantees under the applicable Governing Documents and are not subject to the related caps

and other restrictions, even though these arrangements pose many of the same risks and conflicts associated with the use of leverage that the caps and other restrictions intend to address.

### Interpreting the Fund-Level Borrowing and Guarantee Provisions

Leverage arrangements are complex, often involving detailed, multi-party agreements. Moreover, leverage structures available to the Funds, their portfolio companies and related entities will evolve over time, driven by market developments, economic conditions, a Fund's portfolio of investments, a Fund's life cycle and other factors. During the life of a Fund, we will need to make a determination whether under the Governing Documents each particular leverage structure constitutes Fund-level borrowing, a Fund guarantee, some combination of both, or neither. We will make this determination in our discretion. For example, "hybrid" financing arrangements may involve subscription-based and asset-based facilities, with or without Fund credit support. We will determine the treatment of each arrangement under the Governing Documents in good faith based on its specific terms and structure, in consultation with external legal counsel where appropriate. While we seek to apply a generally consistent framework and approach, the facts and circumstances applicable to each situation are unique and will be determinative.

### Cross-Default

Certain Solutions Advisors Vehicles can borrow (or cause its subsidiaries to borrow) on a joint, several, or joint and several, basis with related vehicles, including any parallel investment entities, any lockstep vehicles, alternative investment vehicles, special purpose vehicles and vehicles formed to facilitate co-investment including by Solutions Advisors Personnel. Solutions Advisors Vehicles and these vehicles can engage in fund- or asset-level financing whereby (i) the Solutions Advisors Vehicle and/or such vehicles are jointly responsible on a cross-collateralized basis for the repayment of the financing and/or (ii) the commitments of investors in the Solutions Advisors Vehicle and/or such vehicles are pledged to secure the financing obtained for the benefit of such other vehicles. When we call capital to satisfy the indebtedness, it is possible a Solutions Advisors Vehicle investor will contribute in excess of its pro rata share of the indebtedness if other Solutions Advisors Vehicle investors or the investors in the related vehicles fail to honor their commitments. While we intend for certain Solutions Advisors Vehicles, where appropriate, to enter into back-to-back agreements with related vehicles in respect of certain types of credit support, or otherwise seek to cause such related vehicles to act in a manner as if such a back-to-back agreement were in place, a Solutions Advisors Vehicle would still be subject to the risk of default by such other vehicles.

We intend to enforce these arrangements for the benefit of the investors of Solutions Advisors Vehicles, but we may not always be able to do so (including if a related vehicle defaults on its obligations to a Solutions Advisors Vehicle). In addition, to the extent multiple assets or investments are pledged to support a single borrowing, whether or not that borrowing constitutes Fund-level borrowing, multiple assets of a Solutions Advisors Vehicle will be at risk. As a result, negative performance of a single asset may materially and adversely impact the performance of other Solutions Advisors Vehicle investments or the Solutions Advisors Vehicle as a whole. Investors may have interests in certain investments that are disproportionate to their interests in other investments (for example, without limitation, due to excuse, exclusion or opt-outs). As a result, an investor may be indirectly exposed to leverage risks associated with investments in which

they do not participate, or in which they participate to a lesser extent, and the distributions they receive may be reduced, and their investment in the Solutions Advisors Vehicle may be materially and adversely impacted, by the negative performance of one or more investments in which they do not otherwise have an interest.

Certain Solutions Advisors Vehicles expect to utilize their respective credit facilities and enter into other similar arrangements and extensions of credit for the benefit of co-investors (including affiliated co-investors) that invest alongside a Solutions Advisors Vehicle in one or more investments. For example, a Solutions Advisors Vehicle could draw from a credit facility to fund such co-investor's *pro rata* share of an investment or expense related to an investment. We have an incentive to cause such co-investors or Co-Investment Vehicles to engage in these or similar cross-collateralized arrangements, because the commercial terms available to such vehicles would typically be better than those available on a standalone basis.

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

In addition, a Solutions Advisors Vehicle 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 Solutions Advisors Vehicle and other Solutions Advisors Vehicles and Related Funds. In such a circumstance, the Solutions Advisors Vehicle would be subject to risk of default by the other Solutions Advisors Vehicles and Related Funds. Similarly, a Solutions Advisors Vehicle may utilize indebtedness for purposes of warehousing co-investment opportunities. As described above under “*Material Risks of Significant Investment Strategies — Co-Investment Warehousing*” and “*Allocation of Co-Investment Opportunities*,” this presents additional risks and conflicts of interest.

#### Tax Effects

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

#### *Conflicts Relating to Interests in Non-Affiliated Entities*

The Governing Documents provisions that relate specifically to our affiliates do not apply to companies, funds or other entities that are not, or are no longer, our affiliates for purposes of the Governing Documents, even if TPG and/or its personnel have significant economic interests and/or non-controlling governance rights in such entities or have agreed to a transaction that would cause TPG and such entities to become affiliated in the future. For example, TPG and its personnel enter into joint ventures or similar arrangements with unaffiliated fund managers that entitle us or our personnel to material amounts of carried interest, management fees and other economics related

to the funds they manage and their other activities. We and/or our personnel also often have minority governance rights in these ventures, such as information rights and veto, change of control and other protections. We expect to assist these fund managers and their sponsored funds with their fundraising and investment activities, including by offering them the opportunity to co-sponsor, or co-invest in, Fund investments, potentially on more favorable terms than we offer others. A Solutions Advisors Vehicle may also transact directly with unaffiliated fund managers and their sponsored funds, including in relation to the purchase or sale of fund assets. In addition to investing in unaffiliated fund managers, we and/or our personnel expect to acquire economic interests and minority governance rights in other companies, including those that provide services to, and receive compensation from, a Solutions Advisors Vehicle and/or its Portfolio Investments. Transactions by a Solutions Advisors Vehicle or its Portfolio Investments with or alongside non-affiliated entities generally would not be subject to certain Governing Document restrictions or conditions otherwise applicable to transactions with affiliates regardless of whether they are on arms'-length terms. Similarly, any fees or compensation a Solutions Advisors Vehicle or its Portfolio Investments pay to such entities would not offset the Solutions Advisors Vehicle's advisory fees even if we and/or our personnel have an indirect material economic interest in the entities. In addition, investment opportunities sourced by these ventures generally would not be subject to a Solutions Advisors Vehicle's "duty to offer" provisions, which only apply to investments presented to our affiliates, notwithstanding the role our employees play in evaluating and consummating such investments.

On May 1, 2020, TPG and Sixth Street Partners announced a mutual agreement to amend their relationship and formally operate as independent, unaffiliated businesses. While Sixth Street Partners and its clients are no longer TPG affiliates, including for purposes of the Governing Documents (and its funds are not "Related Funds" for purposes of this brochure), TPG has retained a passive minority economic interest in Sixth Street Partners, and is providing it certain transition services, such as IT, accounting, and human resources services. 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 TPG and Sixth Street Partners is in many cases eliminated. Nonetheless, these ongoing business arrangements, as well as the close business relationship TPG has built with Sixth Street Partners across an eleven-year partnership, including certain legacy investments that TPG's funds and Sixth Street Partners' funds previously invested in alongside one another, could continue to present at least an appearance of conflicts of interest between Sixth Street Partners and TPG, including of the type we highlight in this section and specifically as described in the preceding paragraph. Additional examples of potential conflicts include the possibility that a Sixth Street Partners fund will from time to time invest in a competitor of a Solutions Advisors Vehicle's Portfolio Investment or in a different part of the capital structure of a Solutions Advisors Vehicle's Portfolio Investment, giving rise to some extent to the same conflicts described above under "*Conflicts Related to Other Investments by Solutions Advisors Vehicles and Related Funds*" and "*Conflicts Related to Investing in Different Levels of the Capital Structure*," respectively. Certain additional conflicts we discuss in this Item 11 could also continue to arise to some degree, including, for example, those described under *Item 11 – "Diverse Membership," "Conflicts Relating to Services Provided by Related Persons," "Platform Companies," "Conflicts Arising from Interactions with Portfolio Companies," "Conflicts Related to Transactions with Other Solutions Advisors Vehicles or Related Funds," "Investing Alongside Other Solutions Advisors Vehicles or Related Funds," "Conflicts Arising from Business with Certain Investors," "Conflicts Related to Legal Counsel and Other Service Providers Engaged by*



*Solutions Advisors Vehicles and Related Funds;” “Allocation of Co-Investment Opportunities;” “Conflicts Arising from Other Investment Activities of the Solutions Advisors Vehicles and Related Funds – Certain Bankruptcy Implications;” “Conflicts Relating to Rates of Third-Party Advisors and Other Service Providers”.*

#### *Conflicts Relating to Activities and Compensation of TPG Operations Professionals*

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

- The TPG Operations team (sometimes referred to as the Business Building Team) is generally comprised of Operations Group professionals and Field Operations professionals.
  - Our Operations Group professionals are TPG employees who provide industry-specific senior-level engagement with portfolio companies and also work directly with our deal professionals on new deal diligence. They typically receive cash compensation from us, and we may grant them carried interest in Solutions Advisors Vehicles. As described below (see “*Providers of Specialized Operational Services to Portfolio Companies*”), we receive reimbursement for the compensation and related expenses associated with Specialized Operational Services performed by members of our Operations Group, even though they are TPG employees.
  - Our Field Operations professionals have deep, specialized operating experience. Some of these professionals are sector specialists who focus on a particular industry. They are typically embedded within portfolio companies and given responsibility for narrowly defined initiatives that are part of a broader value creation plan, such as lean manufacturing, sourcing, supply chain management or new product introduction. They sometimes also act as interim members of management for portfolio companies. In limited circumstances, Solutions Advisors Vehicles may partner with a GP that is willing to engage our Field Operations professionals to create value in an underlying portfolio company. Field Operations professionals typically have tailored compensation arrangements specific to their engagement. They can receive compensation from us or a Portfolio Investment, including equity grants from Portfolio Investments, depending on their individual arrangement and the services they provide. Most of our Field Operations professionals’ compensation is generally either paid or reimbursed by portfolio companies and one or more Solutions Advisors Vehicles or Related Funds as a Specialized Operational Service Expense, regardless of whether we engage them as employees or consultants. For more information about Specialized Operational Services, see “*Providers of Specialized Operational Services to Portfolio Companies*” below.
- Our “Senior Advisors” include consultants who have established industry and/or regional expertise and are available to assist us with transaction sourcing, due diligence, valuation,

structuring, consulting and similar matters and to serve on the boards of directors of direct portfolio companies of Solutions Advisors Vehicles and Related Funds. We also engage other similar consultants with, for example, more narrow expertise. In limited circumstances, Solutions Advisors Vehicles may partner with a GP that is willing to engage our Senior Advisors to serve on the board of directors of an underlying portfolio company. Senior Advisors and such other consultants typically 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 Solutions Advisors Vehicle or a Portfolio Investment, carried interest in the Solutions Advisors Vehicles, profits interests in a Portfolio Investment, equity or stock option grants from a portfolio company, and fees and carried interest relating to a particular transaction. Compensation from Portfolio Investments to our Senior Advisors and other consultants do not offset the advisory fees payable by investors in the related Solutions Advisors Vehicles.

We determine in our discretion whether to engage an operations professional as a TPG employee 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 a TPG employee or a consultant may give rise to conflicts of interest because, in general, except with respect to certain in-house, foreign office and Specialized Operational Services, the compensation costs for TPG employees are borne by us, whereas compensation costs for consultants could be paid by us, a Solutions Advisors Vehicle 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 the Solutions Advisors Vehicles allow us to be reimbursed for the costs of those services, regardless of whether the professional providing the service is a TPG employee or consultant.

#### *Conflicts Relating to Activities and Compensation of Senior Advisors*

We maintain business relationships with certain advisors and consultants who we expect to assist or advise us with respect to transaction sourcing, due diligence, valuation, structuring, consulting or similar matters and to serve on the board of directors of one or more direct portfolio companies of Solutions Advisors Vehicles (and, in limited circumstances, may be engaged by a GP to serve on the board of directors of an underlying portfolio company); in some cases, these individuals are former TPG employees or otherwise have close business and personal relationships with TPG.

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 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. For example, to the extent a Solutions Advisors Vehicle or a Portfolio Investment makes any payments to a Senior Advisor (such as sourcing fees or directors' fees), such payments will not reduce the advisory fees payable by investors in the Solutions Advisors Vehicle, even if such amounts would reduce the advisory fee

if they were paid to our affiliates. 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 in limited circumstances by a Portfolio Investment or a Solutions Advisors Vehicle 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 Solutions Advisors Vehicle. In some instances, Senior Advisors may provide operational services to Portfolio Investments of Solutions Advisors Vehicles or Related Funds. Moreover, Senior Advisors may make personal investments in Portfolio Investments alongside Solutions Advisors Vehicles or in portfolio companies alongside the Portfolio Investments of Solutions Advisors Vehicles, and Solutions Advisors Vehicles may invest in Portfolio Investments in which Senior Advisors hold existing material investments. Similarly, a Solutions Advisors Vehicle may co-invest in portfolio investments alongside funds that are managed by Senior Advisors in limited circumstances or invest, directly or indirectly, in Portfolio Investments in which such funds have an existing material investment.

We believe that the expertise of Senior Advisors benefits the Solutions Advisors Vehicles to the extent services of Senior Advisors are engaged in connection with the Solutions Advisors Vehicles' investments. Relying on Senior Advisors, however, creates conflicts of interest. For example, we typically determine the amount of compensation that will be paid to Senior Advisors, but as described above under *"Conflicts Relating to Activities and Compensation of TPG Operations Professionals,"* any applicable Portfolio Investments or a Solutions Advisors Vehicle 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 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. In addition, given that we (and not a Solutions Advisors Vehicle) 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. Finally, conflicts of interest may arise in the event that a Senior Advisor serves as a director on the board of more than one portfolio company or on behalf of multiple Solutions Advisors Vehicles or Related Funds (see *"Conflicts Arising from Service by Our Professionals on Portfolio Company Boards of Directors"*).

#### *Conflicts Relating to Activities and Compensation of Other Third Parties*

In addition to Senior Advisors, we will retain other third parties, such as accountants, administrators, lenders, bankers, brokers, attorneys, sourcing persons and consultants, to provide services to the Solutions Advisors Vehicles, including certain strategic partners as described in *"Conflicts Arising from Strategic Relationships"* below. These services may relate to sourcing, conducting due diligence on or developing potential investments, as well as structuring, managing, monitoring and disposing of investments. In many cases, these are the types of services that TPG employees could also provide or have in the past provided. Determining whether to engage a third party or a TPG employee gives rise to conflicts of interest because we generally bear, with the exception of certain in-house, foreign office and Specialized Operational Services reimbursed to us under certain Governing Documents (see *"Item 5 – Fees and Compensation"*), the compensation costs of TPG employees who render these services, while amounts paid to third parties are typically an expense of the relevant Solutions Advisors Vehicle ultimately borne by its

investors. We therefore have an incentive to retain third parties rather than hire additional TPG employees and to outsource to third-party service providers functions that TPG employees could perform or have previously performed.

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

As described above, the Solutions Advisors Vehicles will retain or pay for advisors and service providers, including accountants, administrators, lenders, bankers, brokers, attorneys, sourcing persons and consultants and, in limited circumstances, recommend an advisor or service provider to a portfolio investment for the benefit of such Portfolio Investments. Some of these advisors and service providers also provide services to or have other relationships with TPG. While we will generally seek to engage and recommend advisors and service providers on behalf of the Solutions Advisors Vehicles on the basis of the quality of the advice and other services provided, these relationships could influence our decision to select or recommend an advisor or service provider to perform services for the Solutions Advisors Vehicles or, in limited circumstances, a Portfolio Investment (the cost of which will generally be borne directly or indirectly by the Solutions Advisors Vehicles 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 TPG, 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 Solutions Advisors Vehicles or a Portfolio Investment. Moreover, whereas we typically negotiate on a matter-specific basis the rates or amounts payable for such services, the Solutions Advisors Vehicles or Portfolio Investments may pay higher rates or amounts than we would for such services.

As noted in Item 5, certain Portfolio Investments of Solutions Advisors Vehicles may participate in agreements, transactions or other arrangements that involve payments, discounts, reimbursements or other benefits to us or our affiliates. For example, we may afford certain underlying portfolio companies and Portfolio Investments (through our partnership with GPs) the option to participate in a program with us, our affiliates and other Portfolio Investments pursuant to which one of our affiliates negotiates favorable procurement arrangements. We and our affiliates, together with participating Portfolio Investments, receive the favorable procurement terms, which we are able to secure due in part to the involvement of our Portfolio Investments. This program is a Specialized Operational Service provided to participating 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 to Portfolio Companies*” and such reimbursements will not be subject to advisory fee offsets or otherwise shared with the Solutions Advisors Vehicles. Because the cost of administering this program is shared among our affiliates and the participating Portfolio Investments, we may disproportionately benefit from it by utilizing the favorable procurement arrangements to a greater degree than any of the participating Portfolio Investments and as a result of not all of the Portfolio Investments availing themselves of the benefits.

#### *Conflicts Arising from Our Professionals’ Positions with Portfolio Investments*

We expect to have one or more representatives that sit on the advisory committee of a Portfolio Investment. Often a GP of a Portfolio Investment will ask the related advisory committee to review

and consent to certain transactions that present a conflict of interest for the GP of such Portfolio Investment. From time to time, such a transaction may involve another Solutions Advisors Vehicle or Related Fund, or a portfolio company of either, as a party (e.g., as a buyer or seller vis-a-vis the Portfolio Investment). In exercising its advisory committee voting rights under such circumstances, Solutions Advisors Vehicle representatives on the advisory committee will vote in a manner that we determine, in our sole discretion, to be fair and reasonable; however, we reserve the right to abstain from participating in any vote as we determine to be appropriate.

#### *Conflicts Arising from Service by Our Professionals on Portfolio Company Boards of Directors*

Our professionals are expected to serve on the boards of directors of Solutions Advisors Vehicles' portfolio companies by virtue of the agreements we may negotiate with Portfolio Investments in connection with an investment. While the interests of a Solutions Advisors Vehicle as an indirect shareholder in a portfolio company generally align with the interests of shareholders more broadly, it is possible that our professionals' fiduciary duties to the portfolio company and its shareholders as directors will conflict with the interests of the Solutions Advisors Vehicle. For example, it may be inconsistent with a director's fiduciary duties to share information he/she receives regarding the relevant portfolio company with other Solutions Advisors Vehicles even though that information would be beneficial to some Solutions Advisors Vehicles. Additionally, such positions could impair the ability of a Solutions Advisors Vehicle to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Solutions Advisors Vehicle. Decisions made by a director may also subject TPG, our affiliates or the Solutions Advisors Vehicles to claims they would not otherwise be subject to as an indirect investor in a portfolio company, including claims of breach of duty of loyalty, securities claims and other director-related claims. In addition, to the extent our professionals serve as directors on the boards of more than one portfolio company, such professionals' fiduciary duties among the two portfolio companies may create a conflict of interest. Similarly, to the extent our professionals serve as directors on the boards of portfolio companies in which multiple Solutions Advisors Vehicles or Related Funds directly or indirectly invest, such professionals may act in the interest of one (and not all) of such Solutions Advisors Vehicles and Related Funds.

#### *Conflicts Arising from Interests of Our Professionals in the Solutions Advisors Vehicles and Related Funds*

Our professionals generally participate indirectly in investments made by the Solutions Advisors Vehicles and/or Related Funds. While we believe this helps align the interests of our professionals with those of the Solutions Advisors Vehicles' and Related Funds' other investors and provides a strong incentive to enhance Fund performance, these arrangements also give rise to conflicts of interest. For example, our professionals have an incentive to influence the allocation of an attractive investment opportunity to the Fund in which they stand to personally earn the greatest return, although the involvement of a substantial number of professionals in our investment review process mitigates 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 such as investment funds managed by other sponsors that may be competing for the same investment opportunities or acquire an investment from, or dispose of an investment to, a Solutions Advisors Vehicle (or its Portfolio Investment) or Related Fund, which likewise gives rise to conflicts of

interest. Our Code of Ethics generally requires Solutions Advisors Personnel to disclose such ownership interests periodically.

#### *Conflicts Arising in the Allocation of Our Professionals' Time and Attention*

The success of a Solutions Advisors Vehicle will depend on our investment professionals' ability to, among other things, source, underwrite, structure, complete, finance and manage investments, exit investments at the appropriate time and at attractive valuations and identify and partner with high quality GPs that will improve the operations, governance and performance of the portfolio investments and assets we acquire. To achieve those ends, our investment professionals will devote such time and resources to each Solutions Advisors Vehicle's activities as we determine to be appropriate, consistent with the relevant Governing Documents. Our professionals, however, may also spend time assisting other Solutions Advisors Vehicles and/or Related Funds with their investment activities or working on other projects. In addition, our professionals expect to have responsibilities and duties to the firm generally. Finally, with respect to a Solutions Advisors Vehicle's key persons, the Governing Documents of the applicable Solutions Advisors Vehicle generally do not restrict their academic, advisory board, personal wealth management, not-for-profit, charitable and similar activities. Conflicts therefore arise between the Solutions Advisors Vehicles and/or Related Funds with respect to the allocation of investment professional time and resources.

#### *Providers of Specialized Operational Services to Portfolio Companies*

We provide operational support, regulatory or legal support, specialized operations and consulting services and similar or related services to one or more Solutions Advisors Vehicles or portfolio companies in connection with the identification, acquisition, holding and disposition of investments (including potential investments), either through our or our affiliates' professionals and employees (such as members of our Operations Group), or through the retention of other companies and individuals (such as Senior Advisors). We refer to such services as "Specialized Operational Services" and to the individuals and companies that provide them as "Specialized Operational Service Providers." These services include, for example, support or analysis regarding

- the company's management (including serving in management positions or participating in the determination of corporate strategy);
- the company's supply chain (including leveraged procurement and logistics/distribution networks);
- marketing and sales strategy, pricing and sales force effectiveness;
- data intelligence;
- finance (including generating metrics and reporting and business restructuring);
- human capital management (including recruiting personnel, management on-boarding, identifying, curating and developing a network of talent and third-party recruiting

resources in anticipation of supporting portfolio company recruiting efforts and determining executive/incentive compensation);

- information technology;
- corporate communications and public relations (including identifying, curating and developing a network of third-party public relations resources in anticipation of supporting portfolio company corporate communications and public relations efforts);
- governmental affairs and relations;
- customer service;
- environmental, social and governance (including target setting and strategy, policy, measurement and reporting development);
- property management, development and other real estate matters;
- procurement programs (see “*Item 5—Leveraged Procurement*”); and
- other similar operational matters.

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

As noted in Item 5, portfolio companies and/or the Solutions Advisors Vehicles 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 Solutions Advisors Vehicles, 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 will typically be determined in our discretion taking into account the particular Specialized Operational Services.

In the event Specialized Operational Services are provided with respect to more than one Solutions Advisors Vehicle, such Specialized Operational Services Expenses will generally be allocated among the relevant Solutions Advisors Vehicles pro rata in accordance with their respective investments unless another method is more equitable under the circumstances.

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

We have an incentive to retain our operations and business building professionals to provide Specialized Operational Services, even if retaining other providers would be as or more advantageous to the portfolio company. In addition, possible providers of Specialized Operational Services can be investors in, provide goods or services to or have other relationships with the Solutions Advisors Vehicle or Related Funds, which in turn is likely to influence our decision on whom to retain.

Reimbursements from portfolio companies in respect of Specialized Operational Services are usually in the form of cash, but can sometimes be in kind, including options, restricted stock units or other equity awards or interests (including with time- or incentive-based vesting) in a portfolio company granted to the Solutions Advisors Personnel or other affiliate who provides specialized operational services. We will evaluate the treatment of any such in-kind reimbursement on a case-by-case basis, including as to valuation for reporting purposes and the timing and manner of disposition by such Solutions Advisors Personnel or other affiliate.

#### *Conflicts Related to Investments of Solutions Advisors Personnel*

We and/or our Solutions Advisors Personnel may buy or sell securities or other instruments that we have recommended to Solutions Advisors Vehicles. Solutions Advisors Personnel may also buy securities in transactions offered to but rejected by Solutions Advisors Vehicles. A conflict of interest may arise because such investing Solutions Advisors Personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by us on behalf of the Solutions Advisors Vehicle. In such circumstances, the investing Solutions Advisors Personnel typically will not share or reimburse the relevant Solutions Advisors Vehicle(s) and/or us for any expenses incurred in connection with the investment opportunity.

In addition, Solutions Advisors Personnel may also buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, hedge funds, real estate



funds and other similar investment vehicles) which may include potential competitors of the Solutions Advisors Vehicles or their Portfolio Investments and/or which may invest in similar industries and sectors as the Solutions Advisors Vehicles. Such Solutions Advisors Personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same Portfolio Investments as the Solutions Advisors Vehicles and there may be situations in which such investment vehicle purchases securities from, or sells securities to, a Solutions Advisors Vehicle. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Solutions Advisors Vehicles. Such personnel may be incentivized to cause a Solutions Advisors Vehicle to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles.

#### *Conflicts Arising from Customized Terms Provided to Certain Investors*

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

- the economic terms, including reduced or modified advisory fees and/or carried interest;
- the offering of co-investment opportunities;
- the ability to opt out of investments;
- the reporting or notice obligations of the applicable Solutions Advisors Vehicle;
- consent rights with respect to certain amendments to documents that govern their rights and obligations and those of the applicable Solutions Advisors Vehicle;
- the right to transfer interests in the applicable Solutions Advisors Vehicle;
- the right to withdraw from the applicable Solutions Advisors Vehicle in the event of adverse tax or regulatory events;
- the right to appoint a representative or observer to the advisory committee of the applicable Solutions Advisors Vehicle, if applicable, or other similar advisory groups;
- additional confidentiality protections or waiver of existing confidentiality obligations;

- the right to disclose certain information to underlying investors or to the public;
- the investor-specific information or documentation that the applicable Solutions Advisors Vehicle would otherwise provide to lenders, other financing sources or other third parties;
- structuring rights with respect to certain types of investments; or
- any other terms, whether economic, procedural or otherwise.

We will consider many factors in deciding whether to accord investors in Solutions Advisors Vehicles 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 Solutions Advisors Vehicle or Related Funds or that are anticipated to be important to future TPG fundraising campaigns;
- investors that have a broader strategic relationship with TPG;
- investors that are subject to specific legal, tax or regulatory requirements or policies applicable to them; and
- other investors meeting other criteria we consider reasonable in our discretion.

In general, no investor has any rights under the side letters of other investors. The Governing Documents of Solutions Advisors Vehicles, however, generally include a “most-favored nation,” or “MFN,” clause whereby an investor automatically receives certain rights and benefits granted in certain other side letters with respect to the Solutions Advisors Vehicle. Except to the extent required by the Governing Documents of the applicable Solutions Advisors Vehicle, we and our related entities have no obligation to offer any such additional rights, terms or conditions to any other investor in such Solutions Advisors Vehicles. Side letter arrangements with certain investors of the Solutions Advisors Vehicles impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Solutions Advisors Vehicle.

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

The employees, business associates and other “friends of the firm” of TPG are typically able to invest directly or indirectly in Solutions Advisors Vehicles 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 Solutions Advisors Vehicles have no obligation to disclose or offer such favorable terms to any other investor in the Solutions Advisors Vehicle, except to the extent required by the Governing Documents of the applicable Solutions Advisors Vehicle.

### *Diverse Membership*

The investors in a Solutions Advisors Vehicle 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 Solutions Advisors Vehicle's investments, as well as the manner in which it makes, structures, holds and exits them, may therefore lead to a more favorable legal, tax or regulatory outcome for some of its investors. In selecting investments appropriate for the Solutions Advisors Vehicle, we generally consider the investment objectives of the Solutions Advisors Vehicle as a whole, not the investment objectives of any of its investors individually. To the extent we are able to structure certain investments based in part on the investors' respective legal, tax and regulatory constraints, we will not take into account such interests as they relate to each individual investor. Each investor in a Solutions Advisors Vehicle generally bears its share of the costs associated with a structure designed to address the concerns of other investors regardless of whether that investor itself benefitted.

To address legal, tax, regulatory, accounting or similar considerations, we expect to structure certain Solutions Advisors Vehicle 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 applicable Solutions Advisors Vehicle (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 Solutions Advisors Vehicle's general partner as manager of, the AIV may differ from those applicable to the Solutions Advisors Vehicle 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. Furthermore, we may take steps adverse to certain investors to preserve the intended benefits of an AIV structure. In these instances, we may also restrict the ability of those investors to transfer their interests if doing so would jeopardize our ability to operate and/or preserve the intended benefits of such AIV structure.

In addition, investors in a Solutions Advisors Vehicle typically engage in a broad range of investment activities in addition to their investment in the Solutions Advisors Vehicle. We expect some investors could enter into various transactions relating to the Solutions Advisors Vehicle or its Portfolio Investments, such as co-investments alongside the Solutions Advisors Vehicle (see *"Allocation of Co-Investment Opportunities"*), financing transactions for the Solutions Advisors Vehicle or its Portfolio Investments and the acquisition of portfolio investment interests from the Solutions Advisors Vehicle or portfolio company interests from a Portfolio Investment. So long as an investor is not otherwise our affiliate, these types of transactions generally do not require the consent of the Solutions Advisors Vehicle's advisory committee or investors more generally. In connection with their investing activities, investors in the Solutions Advisors Vehicles in some cases also have additional access to the management of, or enhanced information rights regarding, the Solutions Advisors Vehicle's Portfolio Investments or the ability to serve on or observe a Portfolio Investment's advisory board or a portfolio company's board of directors.

Investors that serve on a Solutions Advisors Vehicle’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 Solutions Advisors Vehicles or Related Funds or their overall relationship with TPG (including direct or indirect economic interests in TPG-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 Solutions Advisors Vehicle or TPG, even if they are adverse to other investors in the Solutions Advisors Vehicle. In addition, each member of a Solutions Advisors Vehicle’s advisory committee will be permitted to vote on matters even where that member is subject to a material conflict of interest, and will be under no obligation to recuse itself from voting in this situation or to disclose the conflict of interest to the other members. Similarly, investors in a Solutions Advisors Vehicle do not need to take into account the interests of other investors in voting on matters presented to partners more generally. In addition, we generally expect a Fund formed to invest alongside another Fund to have an advisory committee, but the advisory committee’s consent may not be sought or required in cases where the matter relates to investments the Fund has made or is making alongside the other Fund and in which the interests of the Funds are generally aligned, as we determine in our reasonable discretion.

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

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

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

### *Platform Companies*

At times a Solutions Advisors Vehicle establishes or invests in portfolio companies that in turn seek to acquire interests in related companies or assets or engage in other business activities. We often structure these portfolio companies, which we refer to as “platform companies,” as operating joint ventures, holding companies, partnerships, structured finance vehicles, incubators, start-ups

and other platform companies or other similar arrangements. In certain cases we fund these companies up front and in other cases we fund them gradually over time. In the event a Solutions Advisors Vehicle makes such an investment, we generally would expect the Solutions Advisors Vehicle to monetize its interest in a platform company through a sale or public offering of the platform company (or the Solutions Advisors Vehicle's stake in the company) or through sales of the platform company's underlying assets.

While the Solutions Advisors Vehicle 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 (and we in certain circumstances provide services to the platform company, such as legal or capital markets advice, similar to what we typically render to other portfolio companies), 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 Solutions Advisors Vehicle and other Funds or Related Funds. Members of the management team may be Senior Advisors or Field Operations professionals and may render services exclusively to the platform company or provide the same or similar services to unaffiliated third parties or to other Funds, Related Funds or portfolio companies, including similar platform companies of predecessor or successor Funds or Related Funds. These individuals are not considered to be affiliates of ours for purposes of the Solutions Advisors Vehicles' Governing Documents solely as a result of their role as a member of a portfolio company's management team.

Platform companies compensate their management teams in a number of ways, including through 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 Solutions Advisors Vehicle 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 Solutions Advisors Vehicles, Related Funds or portfolio companies. In addition, a platform company or its management team may receive a fee or other compensation for forwarding to unaffiliated third parties or to Solutions Advisors Vehicles, Related Funds or portfolio companies any investment opportunity that the platform company or Solutions Advisors Vehicle (consistent with its Governing Documents) declines to pursue. Any compensation the management team receives, regardless of whether a Solutions Advisors Vehicle or a Related Fund, portfolio company or unaffiliated third party pays, would be in addition to, and typically does not offset, the advisory fee investors in the Solutions Advisors Vehicle pay. Similarly, such compensation generally would not trigger the advisory committee disclosure, review or consent provisions of the Governing Documents.

A platform company's structure and relationship to us creates conflicts of interest. For example, although we (by virtue of our control of the Solutions Advisors Vehicle) would form the platform company and in doing so often determine or significantly influence the form and amount of compensation paid to a platform company's management team, the platform company (and ultimately the Solutions Advisors Vehicle) bears the attendant expense. As with Senior Advisors,

the close business or personal relationships that we have with certain members of management give us less incentive to limit their compensation. In addition, given that we (and not the Solutions Advisors Vehicle) 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 TPG employees to provide managerial services, or to convert existing TPG employees into members of a platform company's management team.

#### *Conflicts Arising from Strategic Business Partners*

We have also formed and expect to continue to form relationships with third-party strategic partners so that a Solutions Advisors Vehicle or Related Fund can take advantage of their expertise, often in particular industries, sectors and/or geographies. These strategic partners often have close business relationships with us and provide services that are similar to, and that may overlap with, services we provide to Solutions Advisors Vehicles 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 can take the form of

- cash payments from us, a Solutions Advisors Vehicle or Related Fund or a Portfolio Investment;
- grants of carried interest generated by a Solutions Advisors Vehicle or Related Fund;
- stock option or equity grants in a portfolio company;
- profits interests in a Portfolio Investment or holding vehicles beneath a Solutions Advisors Vehicle or Related Fund; and/or
- other similar payments from us, a Solutions Advisors Vehicle or Related Fund or a Portfolio Investment.

This creates a conflict of interest because we have an incentive to structure compensation under strategic business partnerships so that the Solutions Advisors Vehicle or Related Fund (and hence their investors) bears the costs (directly or indirectly) instead of us. In addition, as with Senior Advisors, our close business relationship with a strategic partner 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 Solutions Advisors Vehicle, 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 Interactions with Portfolio Investments*

Portfolio Investments of Solutions Advisors Vehicles (or Related Funds) (as well as Solutions Advisors Vehicles' portfolio investments) generally are not our affiliates for purposes of a Solutions Advisors Vehicle's Governing Documents. As a result, the Governing Documents'

provisions that relate specifically to our affiliates do not apply to Solutions Advisors Vehicles' (or Related Funds') Portfolio Investments or their management teams or employees, even if we have a significant economic interest in a Portfolio Investment. For example, in the event that a Solutions Advisors Vehicle or one of its Portfolio Investments purchases products or services from, or otherwise enters into a transaction with, a Portfolio Investment of another Solutions Advisors Vehicle or Related Fund, such transaction generally would not require any advisory committee disclosure, review or consent or trigger other provisions of the Governing Documents typically applicable to transactions with affiliates. Also, if a Related Fund establishes a platform company through which the Related Fund seeks to acquire interests in related companies or assets, investment opportunities that the platform company management sources for the platform company generally will not be offered to the Solutions Advisors Vehicles.

Given the collaborative nature of our business (and the business of our affiliates) and the portfolio companies in which some Solutions Advisors Vehicles (or Related Funds) have invested, we (or Related Funds) from time to time recommend the services of a portfolio company 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 Solutions Advisors Vehicles or Related Funds, while it is possible that the products or services recommended are not necessarily the best available to the Portfolio Investments of the Solutions Advisors Vehicles or the most favorably priced. The practical consequences of such conflict of interest may be alleviated with respect to the Solutions Advisors Vehicles (as opposed to Related Funds) and their Portfolio Investments, as neither the Solutions Advisors Vehicles nor their respective general partners control such Portfolio Investments and a third-party GP will independently determine whether using the recommended products or services are in the best interests of the Portfolio Investment that it manages.

From time to time Solutions Advisors Vehicles and/or certain of their Portfolio Investments have ongoing business dealings, arrangements or agreements with persons who are former employees of ours or a Related Adviser. The Solutions Advisors Vehicles 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 Solutions Advisors Vehicles (or their Portfolio Investments) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that we will favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person. Portfolio Investments of Solutions Advisors Vehicles also could be counterparties or participants in agreements, transactions or other arrangements with Portfolio Investments of other Solutions Advisors Vehicles 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 Solutions Advisors Vehicles.

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

Current and former officers and executives of Portfolio Investments also invest in Solutions Advisors Vehicles. While we believe this aligns Portfolio Investment management teams with the best interests of the Solutions Advisors Vehicle, we may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a Portfolio Investment in order to maintain the goodwill with such Portfolio Investment management team investor.

#### *Conflicts Arising from Business with Certain Investors*

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

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

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

It is possible that we exercise our discretion to enter into transactions with investors in one or more Solutions Advisors Vehicles to dispose of all or a portion of certain investments held by one or more Solutions Advisors Vehicles. 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 (which means we may not obtain the highest price for the transaction), we will first determine that such transaction is in the best interests of the applicable Solutions Advisors Vehicles, taking into account the sale price and the other terms of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Solutions Advisors Vehicles. Any such transactions will comply with the Governing Documents of the applicable Solutions Advisors Vehicles.



### *Conflicts Related to Legal Counsel and Other Service Providers Engaged by Solutions Advisors Vehicles and Related Funds*

Solutions Advisors Vehicles and the Related Funds often engage common legal counsel to represent all of the Solutions Advisors Vehicles and/or the Related Funds in a particular transaction, including a transaction in which a Solutions Advisors Vehicle, other Solutions Advisors Vehicles 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 Solutions Advisors Vehicle, other Solutions Advisors Vehicles or Related Funds, such as in a work-out or other distressed situation, separate representation will typically become desirable, in which case we and the other Related Advisers may hire separate counsel in our sole discretion, and in litigation and other circumstances, separate representation will occasionally be required. Law firms engaged to represent Solutions Advisors Vehicles and Related Funds, partners in those firms or entities affiliated with those firms may be investors in such Solutions Advisors Vehicle, other Solutions Advisors Vehicles or Related Funds, and may also represent one or more Portfolio Investments or limited partners of such Solutions Advisors Vehicle, other Solutions Advisors Vehicles and/or Related Funds.

### *Conflicts Relating to Services Provided by Related Persons*

From time to time we, in our discretion, contract with related persons (including a Portfolio Investment of a Solutions Advisors Vehicle or a family member of Solutions Advisors Personnel) to perform services (including brokerage services) for us in connection with our provision of services to the Solutions Advisors Vehicles. When engaging a related person to provide such services, we will generally have a financial, personal or other business incentive to recommend the related person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

From time to time we, in our discretion, recommend to a Solutions Advisors Vehicle or one of its Portfolio Investments that it contract for services or, in providing services to a Solutions Advisors Vehicle, directly engage with

- a related person of ours (including a Portfolio Investment of a Solutions Advisors Vehicle); or
- an entity or person with which or whom we or Solutions Advisors Personnel have a relationship or from which or whom we or Solutions Advisors Personnel otherwise derive financial, personal or other benefit.

When making such a recommendation, it is possible that we or Solutions Advisors Personnel, because of our financial, personal or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Solutions Advisors Personnel have family members that are actively involved in industries and sectors in which the Solutions Advisors Vehicles invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such

family members might be officers, directors, personnel or owners of companies that are actual or potential investments of the Solutions Advisors Vehicles or other counterparties of the Solutions Advisors Vehicles and their Portfolio Investments. Moreover, in certain instances, the Solutions Advisors Vehicles or the Portfolio Investments may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. In most of these circumstances, the Solutions Advisors Vehicles' Governing Documents will not preclude Solutions Advisors Vehicles from undertaking any of these investment activities or transactions.

### *Conflicts Related to Strategic Transactions*

TPG is a broad-based alternative investment platform that may engage in strategic transactions, including the acquisition of, or combination with, other investment platforms, generally without regard to whether a Solutions Advisors Vehicle would otherwise be interested in pursuing any such transaction. The Governing Documents generally do not prohibit or restrict such strategic transactions.

In the event that we, any of our affiliates or any other party engages in any such transaction or otherwise engages in any actions or any other event occurs that results in an "assignment" (including for purposes of the Advisers Act) of the Advisory Services Agreement or any other agreement (including because of any change in our control group), and as a result we or any other entity must seek the consent of the Solutions Advisors Vehicle under applicable law, the general partner of the Solutions Advisors Vehicle will not seek the consent of the limited partners of such Solutions Advisors Vehicle but will have the authority to act for the Solutions Advisors Vehicle in determining whether or not to provide any required consent.

Since the general partner of the Solutions Advisors Vehicle is under common control with us and we each may have a financial interest in the consummation of any such transaction that is different from the interests of the Solutions Advisors Vehicle or its limited partners, the general partner of the Solutions Advisors Vehicle will likely have a conflict of interest in making this determination. Pursuant to the Governing Documents, the general partner of the Solutions Advisors Vehicle is under no obligation to seek approval from the Solutions Advisors Vehicle'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 Solutions Advisors Vehicle to terminate the Advisory Services Agreement, transfer their interests or otherwise exit the Solutions Advisors Vehicle, or exercise any other rights or remedies (other than those that are explicitly provided in the Solutions Advisors Vehicle'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 TPG, including in our holding company and certain other subsidiaries or vehicles that we control. While these persons mostly are current TPG employees or other individuals who are or have been involved in the activities and affairs of TPG, a limited number are third-party investors, including current or potential investors in Solutions Advisors Vehicles and/or Related Funds, who are not involved in TPG's day-to-day operations. We may permit such third-party investors to hold material direct or indirect, passive economic interests in, or provide other forms of financing to, other TPG-

controlled vehicles, including entities we form to exercise our rights or discharge our obligations under the applicable Governing Documents. This can include debt financing that is recourse to TPG and/or its employees as well as non-recourse debt, such as a securitization structure. Such TPG-controlled vehicles could be used to fund TPG's capital commitments to Solutions Advisors Vehicles and/or Related Funds, including the required minimum commitment as well as any additional commitments permitted following the end of the fundraising period. These practices could have the effect of reducing the amount of capital contributed or remaining at risk by persons responsible for operating the Solutions Advisors Vehicles and/or Related Funds and lessening the alignment of interests between such persons and the investors in such Solutions Advisors Vehicles and/or Related Funds.

### *Conflicts Related to the Valuation of Assets*

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

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

ascribe to the same investment. Our valuation of an investment at a measurement date may also differ materially from the value that is obtained upon the investment's exit.

#### *Conflicts Relating to Fee Structure and Carried Interest*

Certain Solutions Advisors Vehicles 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 Solutions Advisors Vehicles, based upon capital invested by the Solutions Advisors Vehicles. This fee structure creates an incentive to deploy capital when we would not otherwise have done so.

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

#### *Conflicts Relating to Related Services*

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

Although these fees for Related Services are in addition to the advisory fees, we will in many circumstances be obligated to reduce the amount of advisory fees paid by the applicable Solutions Advisors Vehicle by an amount equal to all or a portion of such fees for Related Services. The specific amount and nature of this reduction varies among Solutions Advisors Vehicles and is generally set forth in the Governing Documents of the applicable Solutions Advisors Vehicle. Entities other than Solutions Advisors Vehicles that participate in investments alongside the Solutions Advisors Vehicles (such as entities through which we and certain of our employees and affiliates invest alongside the Solutions Advisors Vehicles) often have a right to share in such fees, and advisory fees will generally not be reduced in connection with the receipt of such entities' share of such fees. In many cases with respect to the implementation of such arrangements, there is not an independent third party involved on behalf of the relevant portfolio company and therefore the fees are not subject to a market check. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company by virtue of the fact that we are acting on behalf of both parties. Furthermore,

as noted above, a Solutions Advisors Vehicle will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee allocable to another entity, including, if applicable, a Co-Investment Vehicle. As some Solutions Advisors Vehicles 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 will not benefit such Solutions Advisors Vehicles.

#### *Conflicts Related to the Employee Retirement Income Security Act of 1974*

A Solutions Advisors Vehicle and one or more other Solutions Advisors Vehicles 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 Solutions Advisors Vehicle may be prohibited from entering into certain transactions if the investment would violate ERISA with respect to such Solutions Advisors Vehicle or such other Solutions Advisors Vehicles or Related Funds, or may be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to such Solutions Advisors Vehicle, such other Solutions Advisors Vehicles or such Related Funds.

#### *Conflicts Related to the Hiring of Asset Managers or Servicers*

The general partner of a Solutions Advisors Vehicle will from time to time hire asset managers, servicers or other strategic counterparties (collectively, “Servicers”), including affiliates of ours or the general partner (or entities in which affiliates of ours or the general partner have an interest or a right to acquire an interest), to provide asset management, sourcing, due diligence, underwriting, loan and other asset servicing, accounting, operational or other services with respect to Portfolio Investments. The fees to be paid to the Servicer are determined at the discretion of the general partner taking into account the assets to be governed by such agreement, may include a profits interest or other incentive-based compensation to the Servicer, and are otherwise determined according to one or more methods, including a percentage of the value of the assets being serviced or the invested capital exposed to such assets, and/or a percentage of cash flows from such assets. In the event one or more Servicers is providing services to multiple Solutions Advisors Vehicles, we will allocate such fees among these Solutions Advisors Vehicles in a manner we deem fair and equitable, in our sole discretion. 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 Solutions Advisors Vehicle’s Governing Documents, will require approval of the Solutions Advisors Vehicle’s advisory committee. Our affiliates or those of the general partner will benefit from these arrangements.

#### *Conflicts Arising from the Exit of Certain Investments*

The general partner of a Solutions Advisors Vehicle, or its affiliates, from time to time receives distributions in kind from an investment disposition. In the event the general partner, or its affiliates, receives such a distribution, the general partner may act in its own interest with respect to its share of securities and will determine to sell the distributed securities, or hold the distributed securities for such time as the general partner will determine. The ability of a Solutions Advisors Vehicle’s general partner to act in its own interest with respect to such distributed shares creates a

conflict of interest between the general partner or affiliate, as an adviser to the Solutions Advisors Vehicle, and the Solutions Advisors Vehicle and its investors. This conflict may be exacerbated due to the enhanced knowledge and information the general partner has relative to the limited partners with respect to such securities.

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

The Governing Documents of each Solutions Advisors Vehicle and related documents are detailed agreements that establish complex arrangements among us, the limited partners, the Solutions Advisors Vehicle, the general partner and other entities and individuals. Questions arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While we will construe the relevant agreements in good faith and in a manner consistent with our legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations we adopt will not necessarily be, and need not be, the interpretations that are the most favorable to the Solutions Advisors Vehicles or their investors.

#### *Conflicts Related to the Withholding of Certain Information*

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

#### Additional Potential Conflicts of Interest Applicable to the NewQuest Funds

*Investment-Related Fees.* NewQuest may be entitled to receive commitment, monitoring, organizational, set-up, advisory, investment banking, underwriting, syndication fees or other similar fees in connection with the purchase, monitoring or disposition of Portfolio Investments by the Funds, break-up, topping, termination and other similar fees payable in connection with unconsummated transactions by the Funds, and directors' fees in respect of securities owned by the Funds (collectively "Investment-Related Fees"). Investment-Related Fees will be first applied to reimburse NewQuest for its out-of-pocket expenses in connection with the transaction giving rise to such Investment-Related Fees and subsequently, 100% of a Fund's allocable share of the balance, if any (as determined in the Governing Documents), net of the amount of any fund expenses and the Fund's share of broken-deal expenses that NewQuest elects to bear and which have not been recouped through prior reductions of advisory fee offsets, will be applied to reduce the subsequent installments of the advisory fee. Except as set forth in the preceding sentence, investors will receive no benefit from such fees.

## **ITEM 12 – BROKERAGE PRACTICES**

### ***Investment or Brokerage Discretion***

For each of the Solutions Advisors Vehicles, we have sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. We 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 Solutions Advisors Vehicle the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), subject to the circumstances of the transaction and the quality and reliability of the executing broker or dealer. Best execution is not limited solely to the consideration of the best available commission rate.

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 Solutions Advisors Vehicles have been treated fairly and honestly in prior trades;
- the quality of execution and service rendered by the broker-dealer in prior transactions;
- any proprietary research and investment ideas; and
- our overall relationship with the broker-dealer.

TPG BD may also, in some cases, act as a broker in transactions on behalf of Solutions Advisors Vehicles. However, TPG BD 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 are from time to time paid commissions on transactions for Solutions Advisors Vehicles in excess of those that other broker-dealers not providing such services might charge so long as we determine in good faith the amount of commissions is reasonable in relation to the value of the brokerage and research services provided, taking into account all of the accounts over which we exercise investment discretion. Recognizing the value of the brokerage and research services provided, we from time to time allow a brokerage commission or negotiated term in excess of that which another broker might have charged for effecting the same transaction. A conflict of interest exists when a broker-dealer provides such research services, as we will have an incentive to favor such broker-dealer over another that may charge lower commissions.

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 Solutions Advisors Vehicle transactions in light of the factors discussed above.

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

### ***Cross Transactions***

Generally, we do not effect cross transactions between Solutions Advisors Vehicles and Related Funds (a “cross-fund transaction”); however, they may be effected in rare instances. Such cross-fund transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Solutions Advisors Vehicle may not receive the best price otherwise possible, or we might have an incentive to improve the performance of one Solutions Advisors Vehicle or a Related Fund by selling underperforming assets to another Solutions



Advisors Vehicle in order, for example, to earn fees. Additionally, in connection with such transactions, we

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

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

In the event that we do effect cross-fund transactions between Solutions Advisors Vehicles or Related Funds, we will seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements (including obtaining any requisite approvals thereunder) and our policies and procedures. In particular, we will seek to ensure that the transaction is:

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

In effecting these transactions, we will seek to ensure that the purchase or sale is effected at a price that is comparable to what price could be obtained through an arm's-length transaction with a third party and that is otherwise fair to both parties. We will maintain documentation to memorialize the basis for determining fairness in pricing. Neither we nor any of our affiliates will receive any compensation for effecting a cross-fund transaction.

### ***Trade Aggregation***

In pursuing our investment objectives, we from time to time cause Solutions Advisors Vehicles to purchase and sell publicly traded securities through brokers. If we have determined to sell or purchase a publicly traded security at the same time for more than one Solutions Advisors Vehicle, the Chief Compliance Officer or his/her designee seek to ensure that combined orders for all Solutions Advisors Vehicles are generally placed while assigning pre-order allocations. If an order for more than one Solutions Advisors Vehicle cannot be fully executed, we typically "bunch" buy or sell orders for two or more Solutions Advisors Vehicles into a single large order, and place the bunched order with a single broker or dealer for execution. In many instances, such "bunching" of orders can result in lower commissions, a more favorable net price or more efficient execution than if each Solutions Advisors Vehicle's order were placed separately. There may, however, be instances in which order bunching results in a less favorable transaction than a particular Solutions Advisors Vehicle would have obtained by trading separately. Similarly, when orders are not bunched, there may be circumstances when purchases or sales of portfolio securities for one or more Solutions Advisors Vehicles will have an adverse effect on other Solutions Advisors

Vehicles. We are not obligated to place all transactions on a “bunched” basis. We generally seek to avoid putting any Solutions Advisors Vehicle at an advantage or disadvantage compared to other Solutions Advisors Vehicles that are buying or selling the same security. Each Solutions Advisors Vehicle participating in a “bunched” order generally participates at the same price as all other participants, and all transaction costs on the order are generally allocated pro rata to all participating Solutions Advisors Vehicles.

### **ITEM 13 – REVIEW OF ACCOUNTS**

#### ***Review of Accounts***

The investment portfolios of the Solutions Advisors Vehicles are generally private, illiquid and long- or 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 Solutions Advisors Vehicles’ Portfolio Investments and generally maintain an ongoing oversight position in such Portfolio Investments.

In addition, with respect to investments such as bank and other loans, financings, originations and related credit, fixed income and other instruments and claims, we continually review and analyze existing investment positions to attempt to identify issues early on and to take action when necessary. We meet periodically with members of our investment review committee to update them on such portfolio positions and related matters.

#### ***Reporting***

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

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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

### **ITEM 15 – CUSTODY**

Not applicable.

### **ITEM 16 – INVESTMENT DISCRETION**

Pursuant to the Advisory Services Agreement of each Fund and certain Co-Investment Vehicles, and subject to the direction and control of the general partner of such Fund or Co-Investment Vehicle, we generally perform the day-to-day investment operations of each such Fund and Co-Investment Vehicle in accordance with the terms and conditions of the Advisory Services Agreement and Governing Documents of such Fund or Co-Investment Vehicle.

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

#### **ITEM 17 – VOTING CLIENT SECURITIES**

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

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

Solutions Advisors Vehicles generally cannot direct our vote.

Our Chief Compliance Officer or his/her delegate (a “Proxy Reviewer”) is responsible for monitoring proxy decisions for any actual or perceived conflicts of interests. All proxy voting decisions require a mandatory conflicts of interest review by a Proxy Reviewer, which includes consideration of whether we or any investment professional or other person recommending how to vote the proxy has an interest in how the proxy is voted that may present a conflict of interest. When the Proxy Reviewer deems appropriate in his/her sole discretion, unaffiliated third parties may be used to help resolve conflicts or to otherwise assist us in fulfilling all or part of our voting obligations. In this regard, the Proxy Reviewer has the power to retain independent fiduciaries, consultants or professionals to assist with proxy voting decisions and/or to delegate to such persons voting and/or consent powers in accordance with our proxy voting policies and procedures.

When voting proxies on behalf of Solutions Advisors Vehicles, we vote in a manner that we believe is consistent with the best interest of the Solutions Advisors Vehicles, which may include agreeing with a third party to vote on a matter in a particular manner if we deem such agreement to be in the best interest of the Solutions Advisors Vehicles. We do not permit proxy voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

In accordance with the requirements of the Advisers Act, we maintain records of our proxy voting for at least five years and, at a Solutions Advisors Vehicle’s request, will furnish proxy voting information, free of charge, to the requesting Solutions Advisors Vehicle within a reasonable period of time (usually within ten business days). Solutions Advisors Vehicles may request proxy

voting information by contacting the Chief Compliance Officer at (817) 871-4000 or by writing to TPG Solutions Advisors, LLC, Attn: Chief Compliance Officer, at 301 Commerce St., Suite 3300, Fort Worth, Texas 76102.

**ITEM 18 – FINANCIAL INFORMATION**

Not applicable.