

TPG Real Estate Advisors, LLC

301 Commerce Street, Suite 3300
Fort Worth, Texas 76102

(817) 871-4000

www.tpg.com

Part 2A of Form ADV: Firm Brochure
March 30, 2021

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

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

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

ITEM 2 – MATERIAL CHANGES

This brochure, dated March 30, 2021, serves as an update to our brochure dated May 15, 2020. This brochure contains routine annual updates to the prior brochure, as well as certain other updates, including those regarding payments of fees and expenses by advisory clients, risk factors and conflicts of interest.

ITEM 3 – TABLE OF CONTENTS

	Page
Cover Page	
ITEM 2 – MATERIAL CHANGES	i
ITEM 3 – TABLE OF CONTENTS	ii
ITEM 4 – ADVISORY BUSINESS	1
ITEM 5 – FEES AND COMPENSATION	3
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	15
ITEM 7 – TYPES OF CLIENTS	16
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	16
ITEM 9 – DISCIPLINARY INFORMATION	50
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	51
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	51
ITEM 12 – BROKERAGE PRACTICES	97
ITEM 13 – REVIEW OF ACCOUNTS	100
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	100
ITEM 15 – CUSTODY	100
ITEM 16 – INVESTMENT DISCRETION	100
ITEM 17 – VOTING CLIENT SECURITIES.....	101
ITEM 18 – FINANCIAL INFORMATION	102

ITEM 4 – ADVISORY BUSINESS

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

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

- We provide investment advisory services to the following, which we refer to collectively as the “Funds”:
 - pooled investment vehicles that are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”), and
 - certain individual investors through separately managed account arrangements.

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

- From time to time, we also form capital around 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 Real Estate Advisors, LLC was formed as a Delaware limited liability company in 2013 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.

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

TPGRE Vehicle. We primarily provide investment advisory services related to private equity investments in a range of real estate-related strategies, including

- private platform;
- single-asset acquisition and/or development;
- corporate control or non-control; and
- public company investments, including
 - private investment in public equities (also known as “PIPEs”);
 - corporate “carve-outs”; and
 - public-to-private transactions relating to, among other things,
 - office;
 - industrial;
 - retail;
 - condominium;
 - apartment;
 - hotel and/or other hospitality;
 - single-family residential;
 - self-storage;
 - senior living properties;
 - student housing; and
 - mixed-use

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

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

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

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

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

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

Amount of Client Assets. As of December 31, 2020, we managed on a discretionary basis a total of approximately \$6,191,400,000 of client assets.

ITEM 5 – FEES AND COMPENSATION

Fees Generally. We generally charge asset-based investment management fees and incentive fees from the applicable TPGRE Vehicle pursuant to each Advisory Services Agreement. Management fees paid by a TPGRE Vehicle are indirectly borne by its investors. Such TPGRE Vehicles' management fees are deducted from TPGRE Vehicle assets and generally payable quarterly in advance or in arrears. The amount of any TPGRE Vehicle's management fee is prorated for periods of less than a full billing cycle at the beginning or end of our provision of investment advisory services, and any prepaid amount in excess of the prorated fee will be returned upon termination of our investment advisory services. To the extent the base upon which we charge management 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 TPGRE Vehicle's commitment period or the disposal of a particular investment in a manner that increases the aggregate amount of management fees we receive.

We establish and negotiate with investors in the applicable TPGRE Vehicle the precise amount of, and the manner and calculation of, the management fees. Such TPGRE Vehicle's Advisory Services Agreement, organizational documents, offering documents and/or other documentation, 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 management 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 management 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 TPGRE Vehicles that provide such investors with customized terms, including with respect to reduced management fees.

Please see Item 6 for more information on incentive compensation.

Fund Expenses. In addition to the management 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; 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, termination 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,
 - fees, costs and expenses 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 special purpose vehicles or alternative investment vehicles (“AIVs”);
 - legal fees for drafting and negotiating agreements related to the making and financing 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;
 - 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;
 - startup costs relating to potential platform companies that a Fund ultimately does not pursue; and
 - fees and expenses related to the travel of our employees, including airfare, hotel and meal expenses.
- fees, costs and 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;
 - fees, costs and expenses of compensating co-venturers;
 - fees, costs and expenses related to conferences and other professional development activities for portfolio investment executives (including those we organize);
 - fees, costs and expenses related to business development activities, including meals and events;
 - fees and expenses of
 - custodians;
 - depositaries;
 - advisors (including Senior Advisory Professionals (as defined below));
 - consultants (including, but not limited to, consulting fees incurred by the applicable Fund for the benefit of its portfolio investments);
 - economists;

- sourcing persons;
- brokers;
- intermediaries;
- administrators;
- valuation firms;
- lawyers and legal professionals;
- tax professionals;
- accountants;
- auditors; and
- other professionals for services rendered to the Funds

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

- expenses relating to advisory committee meetings and activities, including
 - venue expenses;
 - fees, costs and expenses associated with any legal counsel or other third-party service providers or advisors; and
 - travel of advisory committee members;
- expenses relating to other meetings of the limited partners of a Fund in connection with such Fund, including venue expenses, and fees, costs and expenses associated with any legal counsel or other third-party service providers or advisors;
- expenses relating to the travel of our employees in connection with advisory committee or limited partner meetings and other Fund-related travel;
- the cost of 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 TPGRE Vehicle (including third-party diligence software and service providers);

- fees and expenses of servicers engaged to provide asset management, due diligence and underwriting services, asset and loan servicing and operational or other services with respect to portfolio investments;
- sales, leasing and brokerage commissions and any other investment costs actually incurred in connection with actual portfolio investments;
- for clearing and settlement charges;
- principal, interest, fees and other expenses in connection with or arising out of all indebtedness and borrowings made by the Fund, including the arrangement thereof;
- any taxes, fees or other governmental charges levied against the Fund or its subsidiaries;
- expenses relating to any audit, investigation, regulatory or governmental inquiry or public relations undertaking;
- fees, costs and expenses of any administrator and valuation experts (including in relation to calling capital from and making distributions to a Fund's limited partners, the administration of assets, financial planning, and treasury activities);
- relating to foreign office services;
- fees, costs and expenses 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 of the Fund and its affiliates;
- fees, costs and expenses 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;
- the costs and expenses of litigation relating to the activities or operations of the Fund and any related judgments or settlements (including any indemnification paid pursuant to the Governing Documents and any extraordinary expenses or liabilities relating to the Fund's affairs);
- fees, costs and expenses relating to accounting services and the creation of financial reports, and other responses to reporting requests from a Fund's limited partners, 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;

- technology-related expenses, including any computer software or hardware, electronic equipment or purchased information technology services utilized in connection with a Fund's investments and operations;
 - expenses of winding up and liquidating the Fund;
 - fees, costs and expenses relating to any amendments, restatements or other modifications to the Governing Documents and any other related documents of the applicable Fund, including the solicitation of any consent, approval, waiver or similar acknowledgement from the Fund's partners and/or the advisory committee and preparation of related materials;
 - all third-party fees, costs and other expenses related to any of the foregoing; and
 - any other expense not specifically identified in the Governing Documents as being borne by us; and
- certain Funds reimburse us or our affiliates for certain expenses, including, among other things, expenses related to in-house services (as described below) and employees or consultants providing Real Estate Services (as defined below) (as described below – see “*Item 11 – Providers of Real Estate Services to Portfolio Investments*”) to the TPGRE Vehicles or their portfolio investments. These expense reimbursements are generally disclosed to investors.

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

Some expenses are incurred on an aggregate basis for the benefit of multiple TPGRE Vehicles, Related Funds and/or TPG. We allocate the aggregate costs of these items across the applicable TPGRE 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 TPGRE 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 TPGRE Vehicle, they are likely to benefit other TPGRE Vehicles, Related Funds or TPG more broadly. For example, information TPG obtains in connection with a TPGRE Vehicle's research, due diligence and investment activities will be valuable to other TPGRE Vehicles and Related Funds. Furthermore, tools and resources developed at a TPGRE Vehicle's expense will be the intellectual property of TPG and not the TPGRE Vehicle. If TPG licenses or sells their intellectual property to third parties in the future, the relevant TPGRE Vehicle will not benefit from such license or sale.

For information on brokerage practices, see Item 12 below.

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, extraordinary expenses such as litigation costs and judgments and other expenses) will typically be borne entirely by the Fund or Funds we select as proposed investors for such investment, rather than the Co-Investment Vehicle or other co-investor. See *"Item 11 – Allocation of Fees and Expenses for Broken Deals"* for more information.

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

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

- acquisition and disposition fees;
- monitoring fees (which may be accelerated in certain circumstances as described below);
- directors' fees;
- financial consulting fees;
- advisory fees;
- break-up fees received in connection with the termination, cancellation or abandonment of a potential investment under certain circumstances;
- origination fees; and
- any other fees earned on or relating to the making, disposition, or management of investments.

Governing Documents generally allow us to receive fees for Related Services from a TPGRE Vehicle's portfolio investments, and we expect to receive such fees over the life of a TPGRE 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. For example, we may charge a portfolio investment annual monitoring fees under a management services agreement. The monitoring fees can be a fixed annual amount or a floating

amount, sometimes based on a percentage of the investment's earnings. A management services agreement typically has a stated term of ten years, though we expect a management services agreement to terminate when the TPGRE Vehicle ceases to hold a material interest in the relevant portfolio investment. In certain circumstances (such as the occurrence of an initial public offering or a sale where the TPGRE Vehicle maintains a material interest), the termination of the management services agreement may result in the acceleration of the payment of all or a portion of the monitoring fees or may result in the payment of other exit, performance-based or termination fees. The 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 management fees, we will in some circumstances be obligated to reduce the amount of management fees paid by the applicable TPGRE Vehicle by an amount equal to all or a portion of such fees for Related Services. The specific amount and nature of this reduction varies among TPGRE Vehicles and is generally set forth in the Governing Documents of the applicable TPGRE Vehicle. Furthermore, a TPGRE Vehicle will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee allocable to another entity, including, if applicable, another TPGRE Vehicle, Related Fund or other co-investor. As some TPGRE Vehicles do not pay management fees or do not have offset provisions requiring the reduction of management fees, we will retain fees for Related Services allocable to these TPGRE Vehicles without reduction.

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

- any amounts paid by portfolio investments as reimbursement for any out-of-pocket costs and expenses we incur in connection with a transaction (including travel expenses, which include expenses for business or first class travel, "black car" transportation and meals (including late night meals consumed at times when not traveling) and entertainment-related expenses) or our performance of services for such portfolio investment, whether or not these expenses would be payable by a TPGRE Vehicle if not for such reimbursement;
- a portion of a transaction or other fee received from an actual or prospective portfolio investment that we in our sole discretion agree to pay to a third party, such as a consultant, advisor, Senior Advisory Professional (as defined below), 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 TPGRE Vehicle to an affiliate of ours (including former Senior Advisory Professionals) 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 investment, such as directors' fees a former portfolio investment pays one of our professionals who remains on the investment's board of directors following the TPGRE Vehicle's disposition of the investment;
- any underwriting, private placement, arranging or similar broker-dealer fees, discounts or commissions payable to TPG Capital BD, LLC ("TPG BD"), our broker-dealer affiliate (as described below – see "*Item 5 – Fees Received by TPG Capital BD, LLC*");
- the portion of any fee allocable to a co-investor, co-venturer or other TPGRE Vehicles or Related Funds (even if it is received by a TPGRE Vehicle or any of its affiliates);
- reimbursement payments from portfolio investments and/or TPGRE Vehicles for Real Estate Services (as described below – see "*Item 11 – Providers of Real Estate Services to Portfolio Investments*");
- any fee paid to a co-underwriter or co-sponsor of an investment;
- any amounts a TPGRE Vehicle's advisory committee consents not to treat as portfolio fees;
- reimbursement payments from TPGRE Vehicles in respect of in-house services or foreign office services (as described below); and
- any amounts paid by a platform company to its management team (as described below – see "*Item 11—Platform Companies*").

In addition, we, or our employees on our behalf, may 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 TPGRE Vehicle, and our related persons, on the one hand, and the TPGRE Vehicle, on the other.

We and our affiliates also engage and retain Senior Advisory Professionals, advisors, consultants and other similar professionals as independent contractors who, from time to time, receive payments from, or allocations with respect to, portfolio investments, TPGRE Vehicles and/or other entities. In such circumstances, such amounts generally will not be deemed paid to or received by us and our affiliates and such amounts will not be subject to the offset arrangements described above. We describe these relationships further below. See "*Item 11 – Conflicts Relating to Activities and Compensation of Senior Advisory Professionals and Other Consultants*," and "*Item 11 – Activities and Compensation of Other Third Parties*."

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

Certain In-House Services. Certain TPGRE 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 TPGRE 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 TPGRE 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 TPGRE Vehicle if the services were provided by third-party service providers;
- we reasonably believe it is in the TPGRE Vehicle’s best interests to have in-house personnel perform such services; and
- the costs of providing such services in-house are less than the amount that would be charged by a third party in an arm’s-length transaction.

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

Occasionally, whether a service meets the criteria for reimbursement from a TPGRE 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 TPGRE 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 TPGRE 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 TPGRE Vehicles and Related Funds that bear expenses relating to in-house services. For time allocated to a TPGRE 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 a Fund 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 Real Estate 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, 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. Portfolio investments also often reimburse us for travel expenses, including travel relating to transactions, board service and other monitoring

activities, and specialized operational services. 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 and portfolio investment-related travel, 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. TPGRE Vehicles generally will not have the right to share in, or have management fee offsets for, any compensation received by TPG BD. TPG BD will only serve as a broker-dealer in a transaction for a TPGRE Vehicle 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 TPGRE 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 TPGRE Vehicle in respect of securities or instruments issued by the TPGRE Vehicle, no commission or other compensation is received by TPG BD from such TPGRE Vehicle or their investors for such service.

Leveraged Procurement. Additionally, certain portfolio investments of TPGRE Vehicles may be counterparties or participants in agreements, transactions or other arrangements that involve payments, discounts, reimbursements or other benefits to us or our affiliates. For example, we may afford portfolio investments the option to participate in a program with us, our affiliates or 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 Real Estate 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 Real Estate Services to Portfolio Investments*” and such reimbursements are not subject to management fee offsets or otherwise shared with the TPGRE 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, the 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 TPGRE Vehicle’s general partner depends on the TPGRE Vehicle’s performance, we have an incentive to approve and cause the TPGRE 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 TPGRE Vehicle’s investments at a time and in a sequence that would generate the most carried interest, even if it would not be in the TPGRE Vehicle’s interest to dispose of the investments in that manner. 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

TPGRE 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 TPGRE 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 Strategies

We primarily pursue a strategy focused on investments in property-rich platforms and real estate portfolios. In the future, we may pursue other real estate-related strategies as well.

Through our theme-based approach and proactive sourcing of potential investment opportunities, we seek to capitalize on situations where we believe we can achieve attractive acquisition bases and drive value creation during our ownership. We seek investments with the following characteristics with a view to downside protection and upside potential:

- a research and data-driven approach to theme generation and investment sourcing, with the objective of executing on investment strategies around which we have developed conviction;
- a value-added ownership model whereby – in conjunction with management teams – we believe we can create value at the property, portfolio, and platform levels; and
- investments with certain “cash-on-cash” yield profiles (utilizing leverage when we believe is prudent) that we believe facilitates total returns and mitigates risk.

Material Risks of Significant Investment Strategies

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

Potential Lack of Diversification. While diversification is generally a Fund objective, there is no assurance as to the degree of diversification that a Fund will actually achieve. Because a substantial portion of a Fund's committed capital could be invested in a single portfolio investment without (subject to any limitations in a Fund's Governing Documents) the consent of the Fund's advisory committee, a loss with respect to any single portfolio investment could have a significant adverse effect on a Fund's returns. Even if a Fund achieves significant diversification, such diversification would not necessarily provide meaningful risk control, and may reduce a Fund's profit potential.

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

- interest rates;
- availability and terms of credit;
- credit defaults;
- inflation rates;
- economic uncertainty;
- changes in laws (including laws relating to taxation of a Fund's investments);
- 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 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.

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' business 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.

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, which may include participation in carried interest. If 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 and that of our affiliates to offer such attractive incentive opportunities. Such ability may also be impacted by U.S. federal income tax legislation enacted in 2017 that treats certain allocations of capital gains that historically would have qualified for long-term capital gains treatment as short-term capital gains taxable at higher ordinary income rates (i.e., allocations with respect to assets held by partnerships for more than one year but not more than three years). Moreover, 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, such Fund's performance could be adversely affected.

Reliance on Third Parties. Our investment strategies in certain investments depend on our ability to enter into relationships with established and sophisticated joint venture partners or other third parties. For example, Funds generally expect to invest through partnerships, joint ventures or other entities alongside one or more third parties as a co-venturer, which may include the seller of a property, a person involved in the selling or acquisition of a property, a limited partner in a Fund (or other vehicle that we control) or other third parties. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that:

- a Fund and a co-venturer may reach an impasse on a major decision that requires the approval of both parties;
- a co-venturer may at any time have economic or business interests or goals that are inconsistent with those of a Fund;
- a co-venturer may encounter liquidity or insolvency issues or may become bankrupt;
- a co-venturer may be in a position to take action contrary to a Fund's investment objective;
- a co-venturer may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or
- in certain circumstances a Fund may be liable for actions of a co-venturer.

To the extent that a co-venturer is able to significantly influence the affairs of the companies or assets in which a Fund invests, such Fund will be required to rely upon the abilities and management expertise of such co-venturer.

There can be no assurance that our current relationship with any such person will continue with respect to a particular Fund or that we will establish in the future any relationship with other such persons on terms favorable to a Fund.

Reliance on the Management of Portfolio Investments. Although we intend to ensure that a Fund enters into joint ventures with skilled partners and invests in portfolio investments that have strong management teams and/or to assist in enhancing management teams, there can be no assurance that any joint venture partner, existing management team, successor or other third party will be able to operate successfully. With respect to emerging platforms, we may have limited ability to

evaluate their management based on past performance, and such platforms 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 joint venture partners, management teams of portfolio investments or other third parties upon which we rely may undermine our due diligence efforts with respect to such investments or otherwise adversely affect the operations of a portfolio investment. If such fraud, other deceptive practices and/or other misconduct is discovered, it could adversely affect the valuation of a Fund's investments.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by our employees, portfolio investment officers or employees, service providers to the foregoing and/or their respective affiliates could cause significant losses to a Fund. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by a Fund, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Fund. We have controls and procedures through which we seek to minimize the risk of such misconduct occurring. However, no assurances can be given that we will be able to identify or prevent such misconduct.

Competition for Investments. The Funds compete for investment opportunities with individuals, funds and other investment vehicles having similar investment objectives or strategies. Potential competitors include other investment funds, publicly traded or non-listed real estate investment trusts ("REITs"), real estate operating companies, financial institutions (such as mortgage banks and pension funds), sovereign wealth funds, strategic industry acquirers and other financial investors investing directly or through affiliates. Certain of these individuals or entities possess competitive advantages over a Fund, including:

- greater financial, technical, marketing and other resources;
- higher risk tolerances;
- different risk assessments;
- lower return thresholds;
- lower cost of capital;
- access to funding sources unavailable to a Fund; and
- an ability to achieve synergistic cost savings in respect of an investment.

In addition, many real estate investment funds and publicly traded and non-listed REITs have been formed over the past several years, and others have been consolidated or grown substantially in size, for the purpose of investing in real estate assets. These funds are able to call substantial amounts of unused capital commitments, resulting in a significant amount of capital available for

investment in such opportunities. Other unrelated parties will likely form in the future additional real estate funds and publicly traded and non-listed REITs with similar investment objectives, and we expect further consolidations to occur, resulting in larger funds and vehicles and further increased competition for the Funds.

The Funds will face significant competition from other developers, owners, and operators of similar properties in the same markets and asset classes. This competition may affect a portfolio investment's ability to attract and retain tenants and may reduce the rents such portfolio investment is able to charge. Additionally, when a Fund seeks to sell its properties, it will compete with other owners of commercial properties.

Risks Associated with Structured Securities. The Funds' portfolios may include investments in structured securities, which may take the form of complex convertible instruments that pay a fixed income stream and offer a liquidity preference prior to conversion. Investing in structured securities entails various risks, including credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks, basis risks and legal risks. Structured securities are subject to the significant credit risks inherent in the underlying collateral and to the risk that the underlying company may fail to perform. Such securities may include credit enhancements or other upside protections designed to raise the overall credit quality of the security above that of the underlying collateral, but these credit enhancements or upside protections may fail to protect from a loss of capital.

We expect that some structured securities the Funds may hold may be subordinate in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same portfolio investment. In addition, many of the related transactions have structural features that divert payments of interest and/or principal to more senior classes when the delinquency or loss experience of the underlying company exceeds certain levels. Consequently, such securities have a higher risk of loss as a result of delinquencies or losses relating to the underlying assets. In certain circumstances, payments of interest may be reduced or eliminated for one or more payment dates. Additionally, as a result of cash flow being diverted to payments of principal of more senior classes, the average life of such securities may lengthen.

Structured securities are also subject to the risks of the securities underlying the structured opportunity, in particular those related to the quality of the underlying securities. Deficiencies in company management or company operations may negatively affect the value of the underlying securities, including by resulting in lower-than-expected returns or the inability of the company to effectively pursue a public exit strategy.

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

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.

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

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

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

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

Bridge Financings. From time to time, a Fund provides financing (which may include equity and/or debt financing) or make other contributions to one of its properties or investments 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, coupon or other return on such loans or other contributions generally would not adequately reflect the risk associated with the unsecured position taken by the Fund.

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 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 market volatility, making it more 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.

Moreover, the European Union's Directive 2011/61/EU on Alternative Investment Fund Managers (the "AIFMD") came into effect on July 22, 2013, and harmonizes the regulation of alternative investment fund managers ("AIFMs") that are based in the European Economic Area ("EEA") or that market interests in an alternative investment fund ("AIF") to investors registered in or with a registered office in the EEA ("EEA Investors"). The AIFMD will typically apply to the management company of a Fund to the extent limited partner interests are marketed (within the meaning of the AIFMD as implemented in the relevant Member States of the EEA) to EEA

Investors. The AIFMD may have an adverse impact on the marketing of limited partner interests to EEA Investors and the operation of a Fund.

The AIFMD, as implemented in the relevant Member States of the EEA, allows non-EEA AIFMs to market AIF interests to professional investors within the meaning of the AIFMD (“Professional Investors”) under private placement regimes (“PPRs”). However, PPRs are not available in certain EEA Member States. In addition, the PPR of a particular EEA Member State may impose certain filing or registration requirements to be satisfied prior to starting any marketing (within the meaning of the AIFM Directive as implemented in the relevant EEA Member States) in such EEA Member State. In addition, the PPRs typically only allow marketing of AIF interests to EEA Professional Investors, and certain EEA Member States impose the same or stricter conditions on marketing of AIF interests to EEA Investors who do not qualify as EEA Professional Investors, including some high net worth individuals. The conditions applicable to marketing in the EEA under PPRs described above limit a Fund’s ability to attract EEA Investors, which may result in a reduction in the overall amount of capital that a Fund is able to raise, which may affect such Fund’s investment strategy or limit the range of investments that such Fund is able to pursue and make. The need to comply with filing or registration requirements prior to marketing in certain EEA Member States may delay the fundraising process, thereby reducing the speed with which we can deploy the capital raised.

In addition, marketing under PPRs is subject to compliance with certain requirements and restrictions under the AIFMD, including:

- providing certain mandatory pre-investment disclosures to investors;
- preparing an AIFMD compliant annual report;
- making certain filings and reporting to regulators in the relevant EEA Member States;
- making certain notifications and disclosures where a Fund acquires or disposes of shares in EEA companies; and
- certain limitations on a Fund’s ability to “asset strip” or recapitalize, refinance, or potentially restructure an EEA company in which a Fund acquires control (whether individually or jointly with a third party).

PPRs are not uniform, and certain EEA Member States impose specific requirements and restrictions in addition to those set out by the AIFMD and above (such as, for example, the requirement to appoint a depositary). Compliance with such requirements will result in a Fund incurring additional costs and expenses or may otherwise adversely affect the management and operation of such Fund and its investments.

There remains some uncertainty as to the manner in and extent to which the AIFMD is being implemented in various EEA Member States and how such EEA Member States interpret the AIFMD. This uncertainty increases the risk that we will fail to comply with the requirements imposed by the AIFMD as implemented in a particular EEA Member State. Our failure to comply may result in a regulatory authority or court in that or another EEA Member State requiring us to

return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against us. This could result in a reduction in the overall amount of capital available to a Fund, thus potentially limiting the range of investments that such Fund is able to pursue and make, or otherwise result in a loss to such Fund.

Potential Reporting Obligations; Other Regulatory Regimes. Acquisitions by a Fund of equity securities are expected to result from time to time in reporting and compliance obligations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or their equivalent regimes in non-U.S. jurisdictions. Portfolio investments may also subject a Fund and, in limited circumstances, its partners, to other regulatory and reporting requirements. Investments in the insurance, financial services and mortgage industries would typically require a Fund to secure regulatory approvals or licenses, or to disclose information about itself or its equity holders. Applying for and obtaining these regulatory approvals and/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 are 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.

Illiquidity; Limited Market for Fund Investments. Most, if not all, of a Fund’s portfolio investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize on such portfolio investments in a timely manner. Although portfolio investments typically generate some current income, the return of capital and the realization of gains, if any, from a portfolio investment will generally occur only upon the partial or complete disposition or refinancing of such portfolio investment. While we may sell a portfolio investment at any time, we generally would not expect this to occur for a number of years after the Fund makes the investment. Furthermore, it is unlikely that there will be a public market for the portfolio investments at the time of their acquisition. A Fund and its general partner generally will not be able to sell portfolio investments publicly unless we register their sale under applicable securities laws, or unless an exemption from such registration requirements is available. In some cases,

contractual, legal or regulatory reasons will prohibit a Fund from selling certain portfolio investments for a period of time.

Risk Management; Operational Controls. 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, their portfolio investments and their investors, despite our efforts and those of our service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of our computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to our systems and those of our service providers or counterparties or data within these systems. Third parties, including nation-state or terrorist actors, may also attempt to fraudulently induce employees, customers, third-party service providers or other users of our systems to disclose sensitive information in order to gain access to our data or that of a Fund's investors or otherwise inflict harm. Whether intentional or unintentional, a cybersecurity breach may cause us, the Funds or portfolio 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' and/or the portfolio investment's operations,
- financial losses from remedial actions,
- loss of business,
- reputational harm, or
- potential liability.

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

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

Data Privacy and Security Laws. Jurisdictions in which the Funds 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.

Contingent Liabilities and Liabilities Upon Disposition of an Investment. From time to time, a Fund will incur contingent liabilities in connection with an investment. For example, a Fund may enter into agreements pursuant to which it assumes responsibility for default risk presented by a third party. In connection with the disposition of an investment in a portfolio investment, a Fund may be required to make representations about the business and financial affairs of that investment 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. A Fund 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 Fund obligations, including indemnity obligations.

Nature of Real Estate Investments Generally. The Funds' portfolio investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. Deterioration of real estate fundamentals generally, and in North America and Europe in particular, would negatively impact the performance of the Funds. Additional risks include those associated with:

- the burdens of ownership of real property;
- local, national or international economic conditions (such as an oversupply of space or a reduction in demand for space);
- changes in applicable laws, government regulations (including those governing usage, improvement and zoning) and fiscal policies;
- uninsured or uninsurable losses;
- regulatory limitations on rents;
- decreases in property values;
- changes in tenant demand;
- changes in supply of and demand for competing properties in a particular area;

- fluctuations in the rates and occupancy for hotel properties;
- changes in housing policy;
- changes in the financial condition of tenants, buyers and sellers of properties;
- changes in availability of debt financing, which would render the sale or refinancing of properties difficult or impracticable;
- changes in building and similar laws;
- energy and supply shortages;
- terrorist attacks, war, natural disasters and other “acts of God”;
- work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor, and/or other labor-related factors;
- changes in real property tax rates and operating expenses;
- changes in interest rates and the availability of mortgage funds, which may render the sale or refinancing of properties difficult or impracticable;
- increased mortgage defaults;
- increases in borrowing rates;
- environmental liabilities;
- contingent liabilities on disposition of assets;
- successor liability for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns a real property);
- quality and philosophy of management;
- competition based on rental rates;
- attractiveness and location of the properties and changes in the relative popularity of property types and locations; and
- other factors that are beyond our control.

Most of the potential portfolio investments will be difficult to value, and if our opinion as to the value of an investment is incorrect or not shared by other market participants, a Fund’s returns will be adversely affected.

Risks of Acquiring Real Property. The Funds' portfolio investments will be subject to various risks that cause fluctuations in occupancy, rental rates, operating income and expenses or that render the sale or financing of the portfolio investments' properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease, there could be a period of time before a Fund's portfolio investments will begin receiving rental payments under a replacement lease. During that period, the portfolio investments (and indirectly, the Funds) will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions could impair the portfolio investments' ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants would require the portfolio investments to make capital improvements to properties that we would not otherwise have planned. Any unbudgeted capital improvements that a Fund undertakes may divert cash that would otherwise be available for distribution to investors. To the extent that the portfolio investments are unable to renew leases or re-let spaces as leases expire, decreased cash flow from tenants will result, which would adversely impact the relevant Fund's returns.

Additionally, a Fund occasionally will be required to spend funds to correct defects or make improvements before a property can be sold. We cannot assure that a Fund will have the necessary funds for such projects. On an acquisition, a Fund may agree to lock-out provisions that materially restrict it from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others that could impede a Fund's ability to respond to adverse changes in the performance of such Fund's portfolio investments could significantly affect such Fund's financial condition and operating results.

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

Due to the relatively illiquid nature of real estate investments, we expect to have limited ability to vary a Fund's portfolio promptly in response to changes in economic or other conditions.

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

Risks of Acquiring Real Estate Loans and Participations. A Fund may hold direct or indirect investments in certain real estate-related debt instruments. In addition to the risks of borrower

default (including loss of principal and nonpayment of interest) and the risks associated with real estate investments generally, real-estate related debt investments are subject to a variety of risks, including

- the risks of illiquidity;
- lack of control, mismanagement or decline in value of collateral;
- contested foreclosures;
- bankruptcy of the debtor;
- claims for lender liability;
- violations of usury laws; and
- the imposition of common law or statutory restrictions on the exercise of contractual remedies for defaults of such investments.

Debt investments have special inherent risks relative to collateral value. In the event of default, the source of repayment is limited to the value of the collateral and may be subordinate to other lien holders (and the collateral value of the property may be less than the outstanding amount of the investment).

Certain Funds at times will acquire real estate loans or participation interests that are nonperforming at the time of their acquisition or later become nonperforming for a wide variety of reasons. Such nonperforming real estate loans generally require a substantial amount of workout negotiations and/or restructuring, which typically would entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. To the extent that a Fund purchases partial interests in nonperforming loans, the Fund may not have control over the workout process and the management of real estate assets. Even in such circumstances, replacement “takeout” financing may not be available upon maturity of such real estate loan. Purchases of participations in real estate loans raise many of the same risks as direct investments in real estate loans and also carry risks of illiquidity and lack of control. In addition, loan participations involve credit exposure to the financial institutions participating in the loan. It is possible that a Fund will foreclose on collateral securing one or more real estate loans purchased by such Fund. The foreclosure process varies between jurisdictions and can be lengthy (taking up to several years or more to conclude in some jurisdictions) and expensive. Borrowers resist foreclosure actions by asserting numerous claims and defenses against the holder of a loan, including numerous lender liability claims and defenses, even when such assertions have no basis in fact, which can significantly prolong and increase the costs of the process. At any time during the foreclosure proceedings, a borrower may file for bankruptcy, which would stay the foreclosure action and further delay the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and result in disrupting ongoing leasing and management of the property. Moreover, certain of the real estate loans in which a Fund may invest may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. Investing in real estate-related loans will subject a Fund

to many of the risks of investment in real estate generally, especially where the loans are acquired in distressed or “loan to own” situations. If a Fund acquires a loan participation, it will generally be unable to enforce its rights against the borrower or the collateral directly, and will instead be dependent on the participating financial institution.

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

Residential Real Estate Investments. A Fund may invest from time to time in residential development projects and financing opportunities relating to certain residential real estate or residential real estate-related assets or portfolios thereof. In such circumstances, the performance of such investments may become increasingly susceptible to adverse changes in prevailing economic and employment conditions in the United States and the other jurisdictions where such properties are located. Our ability to invest in residential real estate-related opportunities (including providing financing for potential owners and operators of residential real estate or residential real estate-related assets or portfolios thereof) may depend upon our ability to strategically partner with established and sophisticated joint venture partners and other third parties. Any downturn in the U.S. or global economies may adversely affect the financial condition of residential owners and tenants, making it more difficult for them to meet their periodic repayment obligations relating to certain residential real estate properties, which could adversely impact a Fund’s investment performance. In addition, there can be no assurance that a Fund will be able to effectively partner with suitable joint venture partners or other third parties in connection with its residential real estate-related investment activities, which may impact the Fund’s ability to effectively identify and consummate such investments.

Ground Lease Investments. A Fund may invest from time to time in real estate properties that are subject to ground leases. As a lessee under a ground lease, a portfolio investment may be exposed to the possibility of losing the property upon termination, or an earlier breach by such portfolio investment, of the ground lease, which may adversely impact a Fund’s investment. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, a Fund will generally need to obtain consent of the landlord of such property, which, in turn, could adversely impact the price realized from any such sale.

Mortgage-Backed Securities. A Fund may acquire senior and subordinated tranches of mortgage-backed securities (“MBS”) issuances. In general, subordinated tranches of MBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and also have subordinated rights as to receipt of interest distributions. Subordinated tranches are subject to a greater risk of nonpayment than senior tranches of MBS or MBS-backed by third-party credit enhancement. In addition, the secondary market for such subordinated securities is not as active and well-developed as the market for certain other MBS. Accordingly, such subordinated MBS would have limited marketability, and there can be no assurance that a more efficient secondary market will develop. Although senior tranches of MBS are less risky than subordinated tranches of the same issue, they are still subject to the risk of loss.

Commercial Mortgage Loans. A Fund may hold directly or indirectly (e.g., through investments in commercial mortgage-backed securities or companies that originate, service or invest in mortgage loans) or be exposed to commercial mortgage loans. Commercial mortgage loans are generally secured by multi-family or commercial property and are subject to risks of delinquency and foreclosure, and risks of loss. The ability of a borrower to repay a loan secured by an income-producing property is dependent primarily upon the successful operation of such property. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of an income-producing property can be affected by, among other things,

- tenant mix;
- success of tenant businesses;
- property management decisions;
- property location and condition;
- competition from comparable types of properties;
- changes in laws that increase operating expenses or limit rents that may be charged;
- environmental contamination at the property;
- the occurrence of any uninsured casualty at the property;
- changes in national, regional or local economic conditions and/or specific industry segments;
- declines in regional or local real estate values;
- declines in regional or local rental or occupancy rates;
- increases in interest rates, real estate tax rates and other operating expenses;
- changes in governmental rules, regulations and fiscal policies, including environmental legislation; and
- "acts of God," terrorism, social unrest and civil disturbances.

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

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

Impact of Government Regulations. Government authorities at all levels are actively involved in the regulation of land use and zoning, environmental protection and safety, and other matters affecting the ownership, use and operation of real property. Regulations may be promulgated that could restrict or curtail certain usages of existing structures, or require that such structures be renovated or altered in some manner. The promulgation and enforcement of such regulations could increase expenses, and lower the income or rate of return, as well as adversely affect the value of any, of a Fund's investments. Operators are also subject to laws governing their relationship with employees, including minimum wage requirements, overtime, working conditions and work permit requirements. Compliance with, or changes in, these laws could reduce a Fund's returns.

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

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

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

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

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

Harmful Mold and Other Air Quality Issues. When excessive moisture accumulates in buildings or on building materials, mold may grow, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Indoor air quality issues can also stem from inadequate ventilation, chemical contamination from indoor or outdoor sources and other biological contaminants such as pollen, viruses and bacteria. Indoor exposure to airborne toxins or irritants above certain levels can be alleged to cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold or other airborne contaminants at any of a Fund's properties could require such Fund to undertake a costly remediation program to contain or remove the mold or other airborne contaminants from the affected property or increase indoor ventilation. In addition, the presence of significant mold or other airborne contaminants could expose a Fund to liability from its tenants, employees of its tenants, and others if property damage or health concerns arise.

Americans with Disabilities Act and Similar Laws. Under the Americans with Disabilities Act of 1990 (the "ADA"), all public accommodations must meet federal requirements related to access and use by disabled persons. If one of the properties in a Fund's portfolio does not comply with the ADA, such Fund may incur costs to bring the property into compliance, which may or may not have been foreseen at the time of acquisition. Future changes to federal, state and local laws also may require modifications to a Fund's properties, or restrict a Fund's ability to renovate its properties. A Fund cannot predict the ultimate cost of compliance with the ADA or other legislation. If a Fund incurs substantial costs to comply with the ADA and any other similar legislation, such Fund's financial condition, operations, cash flow, cash available for distribution and ability to satisfy its debt service obligations could be materially adversely affected.

Changes in Prepayment Rates. Changes in prepayment rates could reduce the value of mortgage loans directly held by a Fund or underlying a security held by such Fund. In the case of residential mortgage loans, there are seldom any restrictions on borrowers' abilities to prepay their loans.

Borrowers tend to prepay loans faster when interest rates fall. Consequently, owners of the loans have to reinvest the money received from the prepayments at the lower prevailing interest rates. Conversely, borrowers tend not to prepay loans when interest rates rise. Consequently, owners of the loans are unable to reinvest money that would have otherwise been received from prepayments at the higher rates. The negative effect of the rate increase on the market value of MBS is usually more pronounced than it is for other types of fixed-income securities.

Risks of Investing in REITs. A Fund may organize one or more entities treated as a REIT through which the Fund would make investments. The risks that a Fund's investments in REITs will subject the Fund to are similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. In addition, qualification as a REIT involves the application of highly technical and complex provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), for which there are only limited judicial or administrative interpretations, and the determination of various factual matters and circumstances not entirely within the REIT's control. If any REIT fails to maintain its qualification as a REIT in any taxable year, and certain relief provisions do not apply, the REIT would be subject to tax on its taxable income at regular corporate rates. In such an event, distributions by the REIT to a Fund or its investors would, to the extent of earnings and profits, be taxable to such investors as ordinary dividends.

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

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

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

Investments in Troubled Assets. Certain Funds may make substantial investments in nonperforming, underperforming or undercapitalized real estate companies or other troubled assets that involve a degree of financial risk and are experiencing, or are expected to experience, severe financial difficulties, which they may never overcome, therefore leading to a loss of some or all of the Fund's investment. Portfolio investments may have been originated or sponsored by financial institutions that are insolvent, in serious financial difficulty or no longer in existence. As a result,

the recourse to the selling institution may be adversely affected. In addition, certain of a Fund's investments may become subject to compromise and/or discharge under the U.S. Bankruptcy Code. Further, investments in entities that later file for relief as debtors in proceedings under Chapter 11 of the U.S. Bankruptcy Code may, in certain circumstances, be subject to litigation that could further impair the value of the investment. For example, under U.S. law, in certain circumstances, lenders that have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances under U.S. law, payments to a Fund and distributions by a Fund to its investors may be reclaimed in such proceedings if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment or the equivalent under the laws of certain other jurisdictions. Non-U.S. jurisdictions present analogous or different credit issues. Bankruptcy laws typically would delay the ability of a Fund to realize on collateral for loan positions held by it or adversely affect the priority of such loans through doctrines such as equitable subordination. Bankruptcy laws generally also permit the restructuring of debt without a Fund's consent under the "cramdown" provisions of the bankruptcy laws and may also result in a discharge of all or part of the debt without payment to such Fund.

Investments in Land / New Development; Risk of Fraud. Certain Funds expect to acquire direct or indirect interests in undeveloped land or underdeveloped real property, which often is non-income producing. To the extent that a Fund invests in such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include those risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of a Fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on a Fund and on the amount of proceeds available for distribution to the Fund's partners. Properties under development or properties acquired for development generally produce little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. Further, if market conditions change during the course of development, it would make such development less attractive than at the time it was commenced.

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

Availability of Insurance Against Certain Catastrophic Losses. A Fund's investments may be susceptible to the effects of "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. Funds seek to ensure that portfolio investments maintain appropriate liability, flood, extended coverage and other insurance. However, certain losses of a catastrophic nature, such as those caused by wars, earthquakes, severe weather, terrorist attacks or other similar events, will either be uninsurable or

insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism 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 portfolio investment. As a result, not all investments will be insured against terrorism or other catastrophes. If a major uninsured loss occurs, a Fund could lose both invested capital in, and anticipated profits from, the affected investments.

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

Litigation at the Property Level. The acquisition, ownership and disposition of real properties entails litigation risks, including in relation to activities that took place prior to a Fund's acquisition of such property. In addition, buyers of the portfolio investments may later sue a Fund for breaches of representations and warranties, losses associated with latent defects or other problems not uncovered in due diligence.

Non-U.S. Investments. A Fund may invest a substantial portion of its assets outside of the United States, including in certain developing foreign markets. Non-U.S. real estate-related investments require consideration of risks typically not associated with investing in real estate-related investments in the United States, including risks relating to

- currency exchange matters, including
 - fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. portfolio investments are denominated, and

- costs associated with conversion of investment principal and income from one currency into another and/or the repatriation of capital from such jurisdictions;
- inflation matters, including rapid fluctuations in inflation rates;
- differences between U.S. and non-U.S. real estate markets, including potential price volatility in, and relative illiquidity of, some non-U.S. real estate markets;
- the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation;
- certain economic, social and political risks, including
 - potential exchange-control regulations,
 - potential restrictions on non-U.S. investment and repatriation of capital,
 - the risks associated with political, economic or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation, or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, and
 - adverse economic and political developments;
- the possible imposition of non-U.S. taxes on income and gains and gross sales or other proceeds recognized with respect to such portfolio investments;
- less developed corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties, the protection of investors and the protection of property owners;
- differences in the legal and regulatory environment or enhanced legal and regulatory compliance;
- political hostility to investments by non-U.S. or private equity investors;
- less publicly available information; and
- differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters.

In addition, investments located in non-U.S. jurisdictions that are involved in restructurings, bankruptcy proceedings and/or reorganizations generally are not subject to laws and regulations similar to the U.S. Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide a Fund with equivalent rights and privileges necessary to promote and protect the Fund's interest in any such proceeding, portfolio investments would be adversely affected. We analyze risks in the applicable non-U.S. countries

before making such investments, but there can be no assurance that adverse developments with respect to these risks will not adversely affect the assets of a Fund that are held in certain countries.

The risks described above are heightened in respect of investments made in developing market countries. Developing market countries generally are subject to greater risks of expropriation, confiscatory taxation, nationalization, political, economic or social instability and other negative developments.

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.

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 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 will invest in European properties and other assets that have operations affected by the Eurozone economy, including those denominated in the Euro. Since a financial crisis emerged in Europe in 2010, continued concerns regarding the sovereign debt of various Eurozone countries and proposals for investors to incur substantial write-downs and reductions in the face value of sovereign debt have given rise to concerns about sovereign defaults, the possibility that one or more countries might leave the European Union or the Eurozone and various proposals (still under consideration and unclear in material respects) for support of affected countries and the Euro as a currency. Sovereign debt defaults and European Union and/or Eurozone exits could have material adverse effects on certain of a Fund's investments.

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 certain Fund's 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 Funds will be made, in U.S. dollars. Accordingly, fluctuations in currency values could adversely affect the U.S. dollar value of portfolio investments, interest, dividends and other revenue streams received by the Funds, gains and losses realized on the sale of portfolio investments and the amount of distributions, if any, to be made by the Funds. Furthermore, the portfolio investments in which the Funds invests could in many cases be subject to risks relating to changes in currency values, as described above. If a portfolio investment 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. The general partners of the Funds 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.

Monetary Policy and Governmental Intervention. As part of the response to the global financial crisis that began in 2008, governmental actions were taken to stabilize markets and to encourage economic growth. The Federal Reserve and global central banks, including the European Central Bank, have, in addition to other governmental actions to stabilize markets and to encourage economic growth, acted to hold interest rates to historic lows.

In particular, with respect to Federal Reserve actions, beginning in 2013, the Federal Reserve began tapering down its "quantitative easing" program of purchasing long-term securities. The quantitative easing program was originally designed to keep U.S. long-term interest rates at low levels in the wake of the 2008 financial crisis. In 2015, the Federal Reserve began a series of increases to the federal funds rate that continued through 2018. In July 2019, the Federal Reserve

lowered the federal funds rate for the first time since 2008 and has since lowered the federal funds rate further. If the Federal Reserve begins to increase the federal funds rate again, there is a risk that interest rates could continue to rise across the U.S. financial system. In September 2017, the Federal Reserve also announced it would reduce its holdings of mortgaged-back securities gradually over time, which process may also result in an overall higher-interest environment for long-term securities. It is possible that, if interest rates were to rise substantially and the U.S. economy were to begin to deteriorate, the Federal Reserve could decide to reinstate its asset purchase program or institute other measures designed to further reduce interest rates. These measures could lead to a flattening in the yield curve, increased prepayment rates (resulting from lower long-term interest rates), and a narrowing of the net interest margin. The Federal Reserve has recently announced new, large-scale purchases of securities as a result of the COVID- 19 outbreak.

It cannot be predicted with certainty when, or how, these policies will change, but actions by the Federal Reserve and other central bankers may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the Funds' investments. Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and market participants that may result from changes in the U.S. government and policies are difficult to predict or measure with certainty.

Risks Associated with Publicly Traded Securities; Illiquidity. From time to time Funds invest in publicly traded securities of real estate companies and may hold publicly traded securities following a partial exit from an investment. When investing in publicly traded securities, a Fund 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 Fund 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 Fund would be limited in its ability to make investments, and to sell existing investments, in publicly traded securities if we have material, non-public information regarding the issuers of those securities or as a result of other internal policies. The inability to acquire or sell publicly traded securities in these circumstances could materially adversely affect the investment results of a Fund. In addition, a Fund may sell a portfolio investment to a public company where the consideration received consists (at least in part) of stock of the public company, which may be subject to lock-up periods. Investments in securities of publicly traded real estate companies are sensitive to general movements in the stock market and trends in the overall economy. Moreover, the ability of portfolio investments to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise.

Uncertainty Regarding Investments. Although we dedicate substantial time and resources to conduct appropriate due diligence prior to making an investment, the due diligence process is subjective at times and may be undertaken on an expedited basis and/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 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.

Interest Rate Risks. We expect the Funds, both directly and indirectly through portfolio investments, to have exposure to interest rate risks, meaning that changes in prevailing interest rates could negatively affect a Fund. For example, an increase in interest rates could increase the debt service burden on a Fund's portfolio investments, make it more costly to refinance the debt of a Fund's portfolio investments and cause a decrease in value in a Fund's debt investments. Factors that affect market interest rates include

- inflation;
- slow or stagnant economic growth or recession;
- unemployment;
- money supply and the monetary policies of the Board of Governors of the U.S. Federal Reserve System, the European Central Bank and other monetary system participants;
- international disorders; and
- instability in domestic and non-U.S. 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. Subject to any limitations in a Fund's Governing Documents, a Fund at times will, but typically will not be required to, employ hedging techniques intended to reduce the risks of certain investments, including, for example, adverse movements in interest rates, asset prices and currency exchange rates. While such transactions reduce certain risks, they entail certain other risks and costs. For example, while a Fund generally will benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, asset prices or currency exchange rates could result in a poorer overall performance for such Fund than if it had not entered into such hedging transactions.

The success of a Fund's hedging strategy will depend, in part, upon our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Because the characteristics of many investments change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Fund generally would enter into hedging transactions to seek to reduce risk, it is possible that such transactions would result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. In addition, hedging transactions have inherent risks, including the possible default by the counterparty to the transaction and the illiquidity of the hedging instrument a Fund acquires. For a variety of reasons, we at times will not seek to establish a perfect correlation between the hedging instruments utilized

and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Fund from achieving the intended hedge or expose the Fund to risk of loss. We will not hedge against a particular risk when we do not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or when we do not foresee the occurrence, probability or magnitude of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of a Fund's portfolio investments. In addition, although such hedging transactions 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 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.

Non-Controlling Investments. Funds often hold minority interests in certain portfolio investments and, therefore, may have a limited ability to protect their investments in such portfolio investments. If appropriate given the Fund's ownership stake, the Fund may negotiate representation on the board of directors of a portfolio investment 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 investments, and may therefore suffer a decrease in the value of its investment. In addition, a Fund may make minority equity investments in portfolio investments where there is the possibility that the portfolio investments may be controlled or influenced by persons who have economic or business interests or goals or tax or other considerations that differ from or are inconsistent with those of the Fund or its limited partners or may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of the Fund's investment. When taking non-control positions, a Fund will generally seek to obtain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio investments in a manner that maximizes or protects value.

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 investments. This could expose the assets of the Funds to claims by a portfolio investment, its other security holders, its creditors or governmental agencies. In addition, if a Fund holds 80% or more of the interests in a portfolio investment 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 liability with the portfolio investment for any withdrawal liability with respect to a multiemployer pension plan which the portfolio investment 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 investments. In addition, it is possible that a court could expand this theory to cause multiple portfolio investments of a Fund to be treated as a controlled group or under common control, and thereby be liable for these funding obligations.

Investments in Restructurings. The Funds may invest in restructurings involving portfolio investments that are experiencing or are expected to experience financial difficulties. These portfolio investments may never overcome these financial difficulties and may become subject to bankruptcy proceedings. Investments in restructurings 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 Fund to certain additional potential liabilities that may exceed the value of the Fund’s original investments therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws.

Debt Securities and Private Debt Instruments. Certain Funds may invest in debt securities and private debt instruments of unrated or non-investment grade companies. Investments in debt are subject to the ability of the issuer or the borrower to meet principal and interest payments on the obligation and may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer or the borrower and the general market conditions. Such risks are greater for investments in non-investment grade, non-rated or lower credit quality debt than for investments in higher rated debt. There are generally no restrictions on the credit quality of the investments of the Funds. In addition, private debt instruments have significant liquidity risks and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors.

There may be limitations on the ability of a Fund to directly enforce its rights with respect to these types of investments, and a Fund may, in addition to assuming the credit risk of the borrower, assume the credit risk associated with the lender or an interposed financial intermediary. Investments in debt may also expose the Funds to unfavorable outcomes in the event of a bankruptcy proceeding. Successful claims by third parties arising from these and other risks will be borne by the Funds.

Convertible Securities. Certain Funds may invest in convertible securities. Convertible securities include bonds, debentures, notes, preferred stock or other securities that may be converted into or exchanged for a specified amount of equity securities of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged.

The investment value of a convertible security is subject to, among others, credit risk, the risk of shifts in the market price of the underlying securities and changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. For instance, adverse or unexpected shifts in interest rates, particularly near the time when a Fund aims to exit any investment in convertible securities, may affect the value of the Fund's investments. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying equity securities. To the extent the value of the underlying equity securities approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying equity securities while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. The value of the underlying security may be volatile and may be impacted by a variety of business, industry, economic, legal and other factors.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Issuers may have an incentive to call convertible securities for redemption when conditions are not advantageous to a Fund, including when the value of the underlying securities is relatively low.

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

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

Borrower Fraud. Of paramount concern in originating or holding loans is the possibility of material misrepresentation or omission on the part of borrowers. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loan or may adversely affect the ability of a Fund to perfect or effectuate a lien on the collateral securing the loan. The Funds will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness.

Uncertainty of Financial Projections. We generally make Fund investments on the basis of financial projections for such portfolio investments, 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.

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 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.

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 Solutions Advisors, LLC,

along with their respective relying advisers.

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

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

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

Code of Ethics

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

TPGRE Personnel and their families and households will from time to time purchase investments for their own accounts, including the same or similar types of investments as may be purchased or

sold by a TPGRE Vehicle, subject to the terms of the Code of Ethics. The Code of Ethics generally permits such transactions only if

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

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

Under the Code of Ethics, TPGRE Personnel also are required to file certain periodic reports 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 TPGRE 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 TPGRE 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 TPGRE Vehicle or prospective client upon request.

Participation or Interest in Client Transactions; Related Person Investments

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

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

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

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 TPGRE Vehicle and another TPGRE Vehicle or a Related Fund, we will seek to resolve the conflict or represent the interests of such TPGRE 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 TPGRE Vehicles, the other TPGRE 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 TPGRE Vehicle and the Related Fund. In the case of all conflicts involving a TPGRE 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 TPGRE Vehicle will not make any investment unless we and the TPGRE Vehicle’s general partner believe that such investment is an appropriate investment considered from the viewpoint of such TPGRE Vehicle;
- many important conflicts of interest may be resolved pursuant to set procedures, restrictions or other provisions contained in the relevant Governing Documents for the TPGRE Vehicles;
- with respect to 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 TPGRE Vehicle may demonstrate the fairness of the transaction to such TPGRE Vehicle;

- prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund; and
- in 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 TPGRE 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 TPGRE 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 TPGRE Vehicles through a variety of channels, including in subsequent brochures or in other written or oral communications to the advisory committee or investors more generally.

Principal Transactions

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

In connection with our management of the TPGRE Vehicles, we and/or the TPGRE 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 TPGRE Vehicle regarding any proposed principal transactions, if required by the Advisers Act or applicable law, and the TPGRE Vehicle's prior consent to the transaction be received. In addition, the Governing Documents relating to the TPGRE Vehicles typically contain additional restrictions on our ability or that of the TPGRE Vehicles to engage in principal transactions and disclosures regarding principal transactions that are likely to arise in the operations of TPGRE 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 TPGRE Vehicle of a “block trade” to monetize its interest in a publicly traded portfolio investment. Depending on the nature of the transaction, the TPGRE Vehicle, the portfolio investment 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, in accordance with the Governing Documents, offset the management fee or require the consent of the advisory committee. We intend to disclose annually to investors in the applicable TPGRE Vehicles the amount of compensation we receive for capital markets services rendered in respect of Fund portfolio investments.

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 TPGRE Vehicle, the portfolio investment or other counterparties, as well as to structure a transaction so that it benefits certain investors in the TPGRE Vehicles or other third parties that are of strategic importance. For example, TPG BD could influence the placement of portfolio investment securities or debt instruments so that investors who are sizeable investors in multiple TPGRE 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 TPGRE Vehicle or its investors in determining how to allocate their time across various projects within TPG.

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

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

Third-Party Placement Agents

We from time to time enter into arrangements with third parties to raise capital for a TPGRE Vehicle. Such placement agents typically receive a 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 TPGRE Vehicle. We can pay placement fees directly or cause the TPGRE Vehicle to pay so long as we reduce the TPGRE Vehicle's management 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 TPGRE Vehicles or Related Funds. We therefore expect to encounter situations in which we must determine how to allocate investment opportunities among various TPGRE Vehicles and other persons, which typically include the following:

- the Funds and Related Funds;
- any Co-Investment Vehicles formed to invest side-by-side with one or more Funds in particular transactions entered into by such Funds or for the purpose of pursuing a specific investment strategy. The investors in such TPGRE Vehicles typically include individuals and entities that are also investors in one or more Funds (which we refer to collectively as "TPGRE Investors") and/or individuals and entities that are not investors in any Funds;
- TPGRE Investors and/or third parties that wish to make direct investments side-by-side with one or more TPGRE Vehicles in particular transactions; and
- TPGRE 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 TPGRE 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 TPGRE 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, TPGRE Vehicles and Related Funds have "duty to offer" provisions. These provisions typically carve out certain types of investment opportunities, including follow-on investments or dispositions by other TPGRE Vehicles or Related Funds and overlap situations as described below. In certain cases, these "duty to offer" provisions will give a TPGRE 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 TPGRE Vehicles or Related Funds. We refer to these contractual investment allocation requirements, which are typically set forth in the Governing Documents of the TPGRE Vehicles and Related Funds, as the “Investment Allocation Requirements.”

When making allocation decisions, we are guided by our contractual obligations to the TPGRE 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 TPGRE 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 TPGRE Vehicle or Related Fund and not any other TPGRE Vehicle or Related Fund, based on it being suitable for, and satisfying the other “duty to offer” criteria of, that TPGRE 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 TPGRE 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 TPGRE Vehicles’ and Related Funds’ current and projected capacity for investing (including for any potential follow-on investments);
- the relevant TPGRE Vehicles’ and Related Funds’ targeted rate of return and investment holding period;
- the stage of development of the prospective portfolio investment;
- the existing portfolio of investments of the relevant TPGRE Vehicles and Related Funds;
- the investment opportunity’s risk profile;
- the expected life cycle of the relevant TPGRE Vehicles and Related Funds;
- any investment targets or restrictions (e.g., industry, size, etc.) for the relevant TPGRE Vehicles and Related Funds;
- the ability of the relevant TPGRE 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 TPGRE 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 TPGRE 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 TPGRE Vehicles.

We, a TPGRE Vehicle and/or a Related Fund from time to time invest in the securities offerings of a portfolio investment held by another TPGRE Vehicle or a Related Fund (including through initial public offerings), which would result in us and/or a TPGRE 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 TPGRE Vehicles and Related Funds have different fee, expense and compensation structures, we have an incentive to allocate an investment opportunity to the TPGRE 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 TPGRE Vehicles in which they invest (see “*Conflicts Arising from Interests of Our Professionals in the TPGRE 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 TPGRE Vehicle or Related Fund being allocated an entire investment opportunity, or in multiple TPGRE Vehicles and/or Related Funds sharing an investment opportunity on a basis approved by the Allocation Committee. Allocating all or any portion of an investment opportunity to, for example, a Related Fund instead of a TPGRE Vehicle will reduce the amount available to the TPGRE Vehicle for investment. In certain cases, a TPGRE Vehicle may 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 TPGRE Vehicle or Related Fund, the Governing Documents of certain TPGRE Vehicles allow us, in our complete discretion and notwithstanding our other allocation principles, to offer to other TPGRE Vehicles, Related Funds or co-investors a certain amount of the portion of such opportunity allocated to such TPGRE Vehicle. This right is separate from and in addition to our ability to allocate co-investment from “overage” after the TPGRE 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 TPGRE Vehicles or Related Funds (and their respective investors) or co-investors greater exposure to the investment than they would otherwise receive. Such TPGRE Vehicles, Related Funds or co-investments may generate more fees, carried interest or other compensation than we would have received from the Fund to which the investment opportunity should be allocated.

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

Allocation of Co-Investment Opportunities

From time to time, we have the option to offer one or more TPGRE Investors, Co-Investment Vehicles, investors in Related Funds or third parties the opportunity to invest alongside a Fund, or “co-invest,” in an investment 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 TPGRE Personnel may hold an interest) or co-venturers;
- Senior Advisory Professionals (and the funds they manage); and
- other parties or consultants that assisted in sourcing or completing the transaction or provide other strategic value.

In addition, some of our Governing Documents require us in certain circumstances to offer preferential access to co-investment opportunities to certain limited partners on a systematic basis.

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

- we give co-investment opportunities to
 - TPGRE Investors;
 - Senior Advisory Professionals (and the funds they manage);
 - TPGRE 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 are under no obligation to offer to TPGRE Investors any co-investment opportunities;
- we can offer co-investment opportunities selectively to some TPGRE Investors and not offer them to all TPGRE Investors;
- allocations of co-investment opportunities between TPGRE Investors will not correspond to their pro rata interests in the relevant TPGRE Vehicle;
- we may agree to offer certain TPGRE Investors preferential access to co-investment opportunities on a systematic basis (for example, by granting a TPGRE 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 TPGRE Vehicle), including in connection with broader strategic relationships or other arrangements where investors agree to invest in a TPGRE 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, 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 TPGRE 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 TPGRE 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, asset class or industry of the prospective portfolio investment;

- 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 management 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 TPGRE Vehicles or purchase their interest from the applicable TPGRE Vehicles after such TPGRE 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 TPGRE Vehicle after the TPGRE Vehicle has consummated the investment, the price paid by co-investors is typically determined by the TPGRE Vehicle's general partner in its sole discretion. The price may not reflect the full cost incurred by the TPGRE 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 portfolio investment (if applicable) or the risk borne by the TPGRE 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 TPGRE 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 may not be able to consummate such investment, and if consummated, the 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 TPGRE 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 TPGRE Vehicles, the fact that the Related Funds at times have different expense reimbursement terms, including with respect to management fee and similar offsets, could result in the TPGRE 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, extraordinary expenses such as litigation costs and judgments and other expenses) will typically be borne entirely by the applicable TPGRE Vehicle (and any Related Funds that would have participated in such investment), rather than by any such prospective co-investors.

The financial position of the relevant TPGRE Vehicle and/or Related Fund may give us an incentive to allocate such fees and expenses to one such TPGRE Vehicle or Related Fund and not another. For example, it would be advantageous to allocate broken deal fees and expenses to a TPGRE Vehicle and/or Related Fund that is not expected to pay carried interest to its general

partner, as the fees and expenses would not affect the amount of carried interest paid—it would be zero in any case. Conversely, it typically would be disadvantageous as an economic matter to allocate broken deal fees and expenses to a TPGRE Vehicle and/or Related Fund that is paying carried interest, as doing so would delay 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 TPGRE 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 TPGRE Vehicles and/or portfolio investments (including fees and expenses incurred in the offering of the TPGRE Vehicle, management of the TPGRE Vehicle, and investment opportunities), in each case in accordance with the TPGRE Vehicle's Governing Documents. To the extent not addressed in 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 TPGRE Vehicle and/or its portfolio investments or, if incurred by us, are reimbursed by a TPGRE Vehicle and/or its portfolio investments, we will not necessarily seek out the lowest cost options when incurring (or causing a TPGRE Vehicle or its portfolio investments to incur) such expenses.

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

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

Allocation of Secondary Transfer Opportunities

To the extent we have discretion over a secondary transfer of interests in a TPGRE Vehicle pursuant to such TPGRE Vehicle's Governing Documents, or if we are asked to identify TPGRE 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 TPGRE Vehicles or Related Funds

In certain rare instances, we may cause a TPGRE Vehicle to purchase investments from another TPGRE Vehicle or a Related Fund, or we may cause a TPGRE Vehicle to sell investments to

another TPGRE Vehicle or a Related Fund. In connection with such transactions, we, the Related Advisers and/or our professionals may

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

We and the Related Advisers may receive management or other fees in connection with our management of the relevant TPGRE Vehicles and/or Related Funds involved in such a transaction or in connection with the transaction itself, and may also be entitled to share in the investment profits of the relevant TPGRE Vehicles and/or Related Funds. We, the Related Advisers and our professionals would be presented with certain conflicts of interest in effecting these transactions. To address these conflicts of interest, we will seek to cause a TPGRE Vehicle to engage in such transactions only if we determine that the terms and conditions of such transaction are substantially as advantageous to such TPGRE Vehicle as the terms it would obtain in a comparable arm's-length transaction with a third party. For additional information regarding transactions between TPGRE Vehicles, including a discussion of related conflicts of interest, please see Item 12, under "*Cross Transactions*."

Investing Alongside Other TPGRE Vehicles or Related Funds

We expect a TPGRE Vehicle and one or more other TPGRE Vehicles or Related Funds to make investments in the same company. In many such cases, a TPGRE Vehicle will co-invest lockstep with the other TPGRE Vehicle or Related Fund, with both funds making and exiting the shared investment at the same time and on substantially the same terms. In some situations, however, the TPGRE Vehicle and the other TPGRE Vehicle or Related Fund will have different entry timing in the same portfolio investment, acquire the same security on different terms and/or invest in different parts of the portfolio investment's capital structure (as described in "*Conflicts Related to Investing in Different Levels of the Capital Structure*"). For example, a Related Fund could invest in the publicly traded securities of a TPGRE Vehicle portfolio investment, including by purchasing these securities in an initial public offering, in a secondary offering by the TPGRE Vehicle or in the open market. Alternatively, a TPGRE Vehicle could invest in a subsequent financing round of an existing portfolio investment of the other TPGRE Vehicle or Related Fund, assuming receipt of the necessary approvals (if any) from the advisory committees of the respective funds. In these scenarios, given the different entry points, a TPGRE Vehicle and the other TPGRE Vehicle(s) and/or Related Fund(s) are not required to exit that company at the same time and on the same terms. Even when a TPGRE Vehicle and other TPGRE Vehicle(s) and/or Related Fund(s) have the same entry point in a particular company, having invested at the same time and on the same terms, it is possible that, taking into consideration, among other things, the respective terms, commitment periods, structures and investment strategies of each fund, as well as any applicable tax, regulatory or legal restrictions or considerations, a TPGRE Vehicle could exit the shared investment at a different time, at a different effective price or with differing costs or terms than the other TPGRE Vehicle(s) and/or Related Fund(s). For instance, a Related Fund that is close to the end of its commitment period could make a shared investment with a TPGRE Vehicle when such TPGRE Vehicle is at the very beginning of its commitment period. In all of these cases, the other

TPGRE Vehicle's or Related Fund's view of the investment and its interests may diverge from those of the TPGRE Vehicle. This could cause the Related Fund to dispose of, increase its exposure to or continue to hold the investment at a time when the TPGRE Vehicle has taken a different approach. As a result, the actions of the Related Fund could affect the value of the TPGRE Vehicle's investment. For instance, a sale by the Related Fund of its investment could put downward pressure on the value of the TPGRE Vehicle's interest, which such TPGRE Vehicle has opted to hold longer term. The Related Fund is under no obligation to act in a way that furthers or protects the interests of the TPGRE Vehicle. The Related Fund could earn a return on its investment that exceeds the TPGRE Vehicle's return.

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

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

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

Conflicts Related to Investing in Different Levels of the Capital Structure

The TPGRE Vehicles and Related Funds invest in a broad range of asset classes throughout the corporate capital structure, including loans and debt securities, preferred equity securities and common equity securities; certain Related Funds also engage in short selling. Accordingly, it is possible that a TPGRE Vehicle will hold an interest in one part of an investment's capital structure while another TPGRE Vehicle or Related Fund holds an interest in another; similarly, a TPGRE Vehicle may be "long" a company that a Related Fund is "short". Decisions taken by the other TPGRE Vehicle or Related Fund in these circumstances to further its interests may be adverse to the interests of the TPGRE Vehicle.

For example, a TPGRE Vehicle could acquire a significant equity stake in a company whose debt securities are already held by a Related Fund. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio investment. As a creditor of the company, the Related Fund could take actions, consistent with its obligations to maximize the return to its investors, that would be adverse to the interests of the TPGRE Vehicle as a holder of more junior securities. The Related Fund, for instance, could cause the acceleration of the portfolio investment's debt or exercise other rights it has that could precipitate a sharp decline in the value of the equity held by the TPGRE Vehicle. The Related Fund would be under no obligation to take any action or refrain from taking any action to prevent or mitigate any losses by the TPGRE Vehicle.

Conflicts may arise in determining the terms of investments, especially when we and/or other Related Advisers control the structure of a transaction and its capitalization. For example, if a Related Fund is investing in debt securities, it would have an interest in structuring debt securities that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than a TPGRE Vehicle, as an equity owner, would desire. In addition, a TPGRE Vehicle may participate in releveraging and recapitalization transactions involving portfolio investments in which other TPGRE Vehicles or Related Funds have invested or will invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the investment or purchasing securities with terms that are more or less favorable than the prevailing market terms. Investments by more than one of our clients in a portfolio investment also raise the risk of using assets of one of our clients to support positions taken by other clients of ours. While expected to be very infrequent, similar conflicts could arise to the extent that TPG BD holds securities of a portfolio investment.

Conflicts Related to Other Investments by TPGRE Vehicles and Related Funds

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

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

The TPGRE Vehicles and Related Funds regularly obtain 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 TPGRE Vehicle investments. In the absence of an information barrier, if a TPGRE Vehicle or Related Fund receives non-public information with respect to a company, other

TPGRE Vehicles would 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 that company or dispose of an investment. Moreover, the confidentiality agreements the TPGRE Vehicles and Related Funds enter into often include provisions, such as “standstills,” that could prevent the TPGRE 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 TPGRE Vehicle’s receipt of non-public information on a particular company would, as a result of securities laws or applicable industry conventions (such as with respect to secondary loan trading), generally restrict the trading activities of these Related Funds with respect to that investment. Moreover, certain Governing Document provisions could impair another TPGRE Vehicle’s or Related Fund’s ability to trade the securities or debt instruments of a company if a TPGRE Vehicle invests in that company. In certain circumstances, a TPGRE Vehicle may have an incentive to avoid taking actions that would impede the operation of another TPGRE Vehicle or Related Fund. For example, a TPGRE 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 erect temporary information barriers to restrict the transfer of non-public information between Related Funds and TPGRE Vehicles to avoid the restrictions described in the preceding paragraphs. In these instances, however, a TPGRE 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 TPGRE Vehicle is breached, even if inadvertently, the TPGRE 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 TPGRE 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 real estate business, they generally do not have access to information about the TPGRE Vehicles and their investments and have different day-to-day management from the TPGRE Vehicles. Accordingly, these “walled-off” businesses may not be subject to certain restrictions otherwise applicable to affiliates under certain TPGRE Vehicles’ Governing Documents.

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

TPGRE Vehicles and/or the Related Funds will in certain instances own a significant or controlling percentage of the common equity of portfolio investments which, depending upon the amount of equity owned by them, any relevant contractual arrangements between such portfolio investment and the participating Funds and other relevant factual circumstances, could result in an extension to one year of the ninety-day bankruptcy preference period with respect to payments made to a TPGRE Vehicle and/or subordination of its claims to other creditors and/or recharacterization of

debt claims into equity claims. In addition, due to equity ownership, representation on the boards of directors and/or contractual rights, as applicable, the TPGRE Vehicles and the Related Funds will typically be deemed to control, participate in the management of or influence the conduct of portfolio investments. The effect of these relationships will vary from jurisdiction to jurisdiction. These factors could expose the assets of a TPGRE Vehicle to claims by a portfolio investment, its security holders, its creditors or governmental agencies.

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

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

Conflicts Relating to the Use of Leverage

Certain TPGRE 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 TPGRE 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, TPGRE Vehicles, directly or indirectly, borrow funds or enter into other financing arrangements to

- pay expenses (including management fees),
- make or facilitate 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 TPGRE 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”) as credit parties. In the following discussion, we refer to these collectively as the “credit facility.” 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 creditworthiness of each Fund investor. Lenders may 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 may 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 TPGRE Vehicles to engage in fund-level borrowing, the following discussion assumes that Co-Investment Vehicles also borrow from time to time.

Utilizing borrowed funds in advance or in lieu of calling capital affords us flexibility to manage cash flows to and from a TPGRE Vehicle’s investors and ease the investors’ burden of responding to multiple capital calls. It also allows a TPGRE 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 TPGRE Vehicle’s investors and, in limited circumstances, may also be secured by other TPGRE Vehicle assets, a lender may foreclose on the pledged collateral, including the investors’ capital commitments and, only if applicable, the TPGRE 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 TPGRE Vehicle would likely be subordinate to the TPGRE 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 TPGRE 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 TPGRE 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 TPGRE 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 TPGRE Vehicle and the investors or impose additional obligations on them. For example, the credit facilities may impose restrictions on the ability of the TPGRE Vehicle's general partner to consent to the transfer of an investor's interest in the TPGRE 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 TPGRE 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 TPGRE 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. We may also utilize fund-level borrowing when we expect to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital at a portfolio investment. If we are ultimately unable to repay the borrowings through those other means, investors would end up with increased exposure to the underlying investment, which could result in greater losses in a declining market.

Our Incentives to Engage in Fund-Level Borrowing

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

Fund-level borrowing can also affect the return investors in a TPGRE Vehicle must receive before the TPGRE 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 TPGRE 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 TPGRE 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 TPGRE Vehicle's investors would otherwise be entitled had we called capital, and thus could allow the TPGRE Vehicle's general partner to receive carried interest sooner than it would without borrowing.

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

Impact on Management Fee Calculation

The management fee payable by investors in certain TPGRE Vehicles depends on the amount of the investors' "actively invested capital contributions." An investor's "actively invested capital contributions" generally include amounts we borrow to fund all or part of an investment in lieu of calling capital. Therefore an investor would generally pay management 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 may utilize leverage at the level of a portfolio investment or a special purpose vehicle formed to invest in or hold one or more portfolio investments. Borrowings by entities other than a TPGRE Vehicle that are generally not directly or fully recourse to a TPGRE Vehicle in the ordinary course will generally not constitute fund-level borrowing for the purpose of applying the Governing Documents' limitations on borrowings.

TPGRE Vehicles invest from time to time in portfolio investments whose capital structures have significant leverage. Although we seek to use leverage in a prudent manner, the leveraged capital structure of investments increases the exposure of the portfolio investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio investments or their industries. The incurrence of significant indebtedness could also subject portfolio investments 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 investments' ability to respond to changing industry conditions, make necessary capital expenditures, obtain additional financing, take advantage of growth opportunities or engage in strategic acquisitions.

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

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

In addition, a TPGRE Vehicle may enter into contractual arrangements, including deferred 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 investments or other third parties. Such arrangements may not constitute borrowings or guarantees under the applicable Governing Documents and may not be subject to the related caps, even though these arrangements pose many of the same risks and conflicts associated with the use of leverage that the caps intend to address.

Cross-Default

TPGRE Vehicles and related vehicles, including parallel investment entities and lockstep vehicles, may engage in fund- or asset-level financing whereby (i) the TPGRE 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 TPGRE 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, a TPGRE Vehicle investor may contribute in excess of its pro rata share of the indebtedness if other TPGRE Vehicle investors or the investors in the related vehicles fail to honor their commitments. While we intend for the TPGRE Vehicles, where appropriate, to enter into back-to-back agreements with related vehicles in respect of certain types of credit support, a TPGRE Vehicle would still be subject to the risk of default by such other vehicles. Similarly, to the extent a TPGRE Vehicle invests in the same or related assets as another TPGRE Vehicle or Related Fund, we may structure the investment financing so that the TPGRE Vehicle is jointly and severally liable for the financing with the other TPGRE Vehicles or Related Funds. We expect this to arise, for example, if a TPGRE Vehicle and Related Fund were to invest in the same portfolio investment and provide a joint and several guarantee for its indebtedness. Joint and several liability could result in the TPGRE Vehicle repaying all, or more than its proportionate share, of the indebtedness, exacerbating some of the risks and conflicts described above. In addition, a TPGRE

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 TPGRE Vehicle and other TPGRE Vehicles and Related Funds. In such a circumstance, although the other TPGRE Vehicle and Related Funds would be expected to repay the TPGRE Vehicle for its portion of these amounts (including related interest expense) in the event it ultimately participates in the investment, the TPGRE Vehicle would be subject to risk of default by the other TPGRE Vehicles and Related Funds. Similarly, a TPGRE Vehicle may utilize indebtedness for purposes of warehousing co-investment opportunities. As described above in “*Allocation of Co-Investment Opportunities*,” this presents additional risks and conflicts of interest.

Tax Effects

To the extent a TPGRE 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 TPGRE 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 TPGRE Vehicle and/or its portfolio investments. Transactions by a TPGRE 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 TPGRE Vehicle or its portfolio investments pay to such entities would not offset the TPGRE 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 TPGRE 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 our 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 TPGRE Vehicle’s portfolio investment or in a different part of the capital structure of a TPGRE Vehicle’s portfolio investment, giving rise to some extent to the same conflicts described above under “*Conflicts Related to Other Investments by TPGRE 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 Investments;” “Conflicts Related to Transactions with Other TPGRE Vehicles or Related Funds;” “Conflicts Related to Investing Alongside Other TPGRE Vehicles or Related Funds;” “Conflicts Arising from Business with Certain Investors;” “Conflicts Related to Legal Counsel and Other Service Providers Engaged by TPGRE Vehicles and Related Funds;” “Allocation of Co-Investment Opportunities;” “Conflicts Arising from Other Investment Activities of the TPGRE 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 professionals to assist our investment team 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 Advisory Professionals:

- The TPG Ops Group is generally comprised of Operations Group professionals and Field Operations professionals.
 - Our Operations Group professionals are TPG employees who provide asset class- or industry-specific senior-level engagement with portfolio investments and also work directly with our deal professionals on new deal diligence. They typically receive cash compensation from us, and we may also grant them carried interest in TPGRE Vehicles. As described below (see “*Providers of Real Estate Services to Portfolio Investments*”), we may receive reimbursement for the compensation and related expenses associated with Real Estate Services performed by members of our Operations Group, even though they are TPG employees.

- Our Field Operations professionals have deep, specialized real estate or other operating experience. Some of these professionals are sector specialists who focus on a particular industry or asset class. Field Operations professionals may be embedded within portfolio investments and given responsibility for narrowly defined initiatives that are part of a broader value creation plan, such as construction management, property management, sourcing, supply chain management or new product introduction. They sometimes also act as interim members of management for portfolio investments. These 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 investments and TPGRE Vehicles as a Real Estate Services expense, regardless of whether we engage them as employees or consultants. For more information about Real Estate Services, see *"Providers of Real Estate Services to Portfolio Investments"* below.
- We discuss Senior Advisory Professionals below (see *"Conflicts Relating to Activities and Compensation of Senior Advisory Professionals and Other Consultants"*).

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 Real Estate Services, the compensation costs for TPG employees are borne by us, whereas compensation costs for consultants could be paid by us, a TPGRE Vehicle or Related Fund or a portfolio investment, as described above. Where an operations professional is performing Real Estate Services for a TPGRE Vehicle or portfolio investments, the Governing Documents of certain TPGRE 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 Advisory Professionals and Other Consultants

We maintain business relationships with certain advisors and consultants who have established asset-class, industry and/or regional expertise and who we expect to assist or advise us with respect to transaction sourcing, due diligence, valuation, structuring, consulting or similar matters or to serve on the board of directors of, or in other similar capacities with respect to, one or more of the TPGRE Vehicles' portfolio investments; in some cases, these individuals are former TPG employees or otherwise have close business and personal relationships with TPG. We generally refer to these individuals as "Senior Advisors," and the Governing Documents generally refer to them as "Senior Advisory Professionals." In addition, we also engage other similar consultants with, for example, more narrow expertise.

Senior Advisory Professionals 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 Advisory Professionals 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, a TPGRE Vehicle expects to make payments to Senior Advisory Professionals, and any fees portfolio investments pay to Senior Advisory Professionals (such as sourcing fees or directors' fees) will not reduce the management fees payable by investors in the TPGRE Vehicle, even if such amounts would reduce the management fee if they were paid to our affiliates. Furthermore, in the event we hire a Senior Advisory Professional as an employee or otherwise elect to treat such person as our affiliate, any profits interests or other compensation amounts payable by a portfolio investment or a TPGRE Vehicle to such Senior Advisory Professional pursuant to an arrangement that was entered into prior to such Senior Advisory Professional becoming our affiliate will not reduce the management fees payable by investors in the TPGRE Vehicle. In some instances, Senior Advisory Professionals provide real estate and operational services to portfolio investments. Moreover, Senior Advisory Professionals often make personal investments in portfolio investments alongside TPGRE Vehicles, and TPGRE Vehicles are not prohibited from investing in portfolio investments in which Senior Advisory Professionals hold existing material investments. Similarly, a TPGRE Vehicle may co-invest in portfolio investments alongside funds that are managed by Senior Advisory Professionals or invest in portfolio investments in which such funds have an existing material investment.

We believe that the expertise of Senior Advisory Professionals will benefit the TPGRE Vehicles. Relying on Senior Advisory Professionals, however, creates conflicts of interest. For example, we typically determine the amount of compensation that will be paid to Senior Advisory Professionals. Senior Advisory Professionals have tailored compensation arrangements specific to their engagement and can receive compensation in multiple forms, depending on their individual arrangement and the services they provide, including cash payments from us, a TPGRE Vehicle or Related Fund or a portfolio investment, carried interest in a TPGRE Vehicle or Related Fund, profits interests in a portfolio investment, equity or stock option grants from a portfolio investment and fees and carried interest relating to a particular transaction. To the extent a TPGRE Vehicle or its portfolio investments incur these compensation costs, they would ultimately be borne by the investors in the TPGRE Vehicle, but generally would not offset the management fees payable by them, even if such amounts would reduce the management fee if they were paid to our affiliates. The close business or personal relationships that some Senior Advisory Professionals have with us give us less incentive to negotiate with a prospective Senior Advisory Professional for a lower level of compensation. The appropriate level of compensation for a Senior Advisory Professional can 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 TPGRE Vehicle) otherwise pay the salaries of our employees, we have incentives to retain individuals as Senior Advisory Professionals instead of hiring them as employees, or to convert existing employees to Senior Advisory Professionals.

Activities and Compensation of Other Third Parties

In addition to Senior Advisory Professionals, we will retain other third parties, such as accountants, administrators, lenders, bankers, brokers, attorneys, sourcing persons, consultants, asset managers, property managers, contractors, developers, leasing agents and servicers, to provide services to the TPGRE Vehicles. 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 Real Estate 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 TPGRE 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.

TPGRE Vehicles can invest through partnerships, joint ventures or other entities alongside one or more other operating partners or co-venturers (which we refer to collectively as “co-venturers”). Co-venturers may include the seller of a property, a person involved in the selling, identification, acquisition or management of an investment, an investor in a TPGRE Vehicle or a Related Fund, a partner or investor in another joint venture (or other vehicle that we control) or another third party. For their role in an investment, co-venturers may receive equity in the investment vehicle as well as payments, performance-based compensation and/or another form of interest (such as a profits interest or carried interest) from the investment vehicles (or the TPGRE Vehicle) and such interests could result in significant payments to co-venturers. In these circumstances, we will treat these amounts as investment expenses and will not apply them to offset a TPGRE Vehicle’s management fee, even if they have the effect of reducing any amounts, such as retainers, that we would otherwise bear.

We expect to perform services for partnerships or joint ventures in which a co-venturer has an interest. We may receive fees, expense reimbursements and other payments with respect to these services, including in respect of the co-venturer’s interest. Any fees, reimbursements, or other payments we receive in respect of a co-venturer’s interest (that is, in addition to a TPGRE Vehicle’s allocable share of such fees and reimbursements) generally would not offset the TPGRE Vehicle’s management fee.

In addition to relying on third parties generally as described above, we expect the TPGRE Vehicles to engage third parties (including as co-venturers) to assist with the acquisition, development, construction, renovation or operation of its portfolio investments. In many cases, these are services that TPG employees could provide or in the past have provided. The TPGRE Vehicles may pay to these third parties, in addition to any equity or other investment-related compensation, any related development fees, incentive fees, promotes, carried interest, acquisition fees, asset and other management fees, and other amounts. When a TPGRE Vehicle pays these amounts to unaffiliated third parties (including co-venturers), the TPGRE Vehicle’s management fee will not be reduced. As such, the cost to the investors in the TPGRE Vehicle of engaging third parties for these purposes is generally higher than the cost of relying on TPG professionals or other affiliates.

When a TPGRE Vehicle makes an investment through a joint venture, it may also rely on a third-party property manager to manage or operate the underlying properties on a day-to-day basis. The return on such an investment will therefore depend in large part on the ability of the third-party manager to operate, lease or improve the properties on economically favorable terms. A property manager may provide management and leasing services to properties owned by others (including other TPGRE Vehicles or Related Funds) that compete with the TPGRE Vehicle's investment. In these circumstances, the interests of the TPGRE Vehicle's investment could conflict with those of the properties owned by third parties, and the property manager may have an incentive, by virtue, for example, of the manner in which it is compensated, to favor the third party over the TPGRE Vehicle.

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

As described above, the TPGRE Vehicles and their portfolio investments will retain or pay for advisors and service providers, including accountants, administrators, lenders, bankers, brokers, attorneys, sourcing persons, consultants, asset managers, property managers, co-venturers, contractors, developers, leasing agents and servicers. Some of these advisors and service providers also provide services to or have other relationships with TPG. While we will generally seek to engage advisors and service providers on behalf of the TPGRE Vehicles and their portfolio investments 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 TPGRE Vehicles or their portfolio investments (the cost of which will generally be borne directly or indirectly by the TPGRE 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 TPGRE Vehicles and their portfolio investments. Moreover, whereas we typically negotiate on a matter-specific basis the rates or amounts payable for such services, the TPGRE Vehicles or their portfolio investments may sometimes pay higher rates or amounts than we would for such services.

As noted in Item 5, certain portfolio investments of TPGRE 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 currently afford certain portfolio investments the opportunity 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 Real Estate Service provided to participating portfolio investments, and therefore our affiliates receive reimbursements from a TPGRE Vehicle and its portfolio investments to cover the cost of administering the program through the method described in "*Item 11 – Providers of Real Estate Services to Portfolio Investments*" and such reimbursements are not subject to management fee offsets or otherwise shared with the TPGRE Vehicles. Because the cost of administering this program is shared among the participants, we will disproportionately benefit from it to the extent we utilize a greater number of the favorable procurement arrangements to a greater degree than any of the participating portfolio investments.

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

Our professionals frequently serve on the boards of directors or in other similar capacities of TPGRE Vehicles' portfolio investments by virtue of the governance agreements we typically negotiate with portfolio investments in connection with an investment. While the interests of a TPGRE Vehicle as a shareholder in a portfolio investment generally align with the interests of shareholders more broadly, it is possible that our professionals' fiduciary duties to the portfolio investment and its shareholders as directors will conflict with the interests of the TPGRE Vehicle. For example, it may be inconsistent with a director's fiduciary duties to share information he or she receives regarding the relevant portfolio investment with other TPGRE Vehicles even though that information would be beneficial to the other TPGRE Vehicles. Additionally, such positions could impair the ability of a TPGRE 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 TPGRE Vehicle. Furthermore, TPGRE Personnel serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant TPGRE Vehicle, on the other hand, and such TPGRE Personnel may be in a position where he or she must make a decision that is either not in the best interest of the TPGRE Vehicle, or is not in the best interest of the portfolio investment.

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

Our professionals generally participate indirectly in investments made by the TPGRE Vehicles and/or Related Funds. While we believe this helps align the interests of our professionals with those of the TPGRE Vehicles' and Related Funds' other investors and provides a strong incentive to enhance Fund performance, these arrangements also give rise to conflicts of interest. For example, our professionals have an incentive to influence the allocation of an attractive investment opportunity to the Fund in which they stand to personally earn the greatest return, 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 TPGRE Vehicle or Related Fund, which likewise gives rise to conflicts of interest. Our Code of Ethics generally requires TPGRE Personnel to disclose such ownership interests periodically.

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

The success of a TPGRE Vehicle will depend on our investment professionals' ability to, among other things, source, underwrite, structure, complete, finance and manage investments, improve the operations, governance and performance of the investments and assets we acquire and exit investments at the appropriate time and at attractive valuations. To achieve those ends, our investment professionals will devote such time and resources to each TPGRE Vehicle's activities as we determine to be appropriate, consistent with the relevant Governing Documents. Our professionals, however, also spend time assisting other TPGRE 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, including responsibilities and duties to TPG's Holdings Committee. Finally, with respect to a TPGRE Vehicle's key persons, the

Governing Documents of the applicable TPGRE Vehicle generally do not restrict their academic, advisory board, personal wealth management, not-for-profit, charitable and similar activities. Conflicts therefore arise between the TPGRE Vehicles and/or Related Funds with respect to the allocation of investment professional time and resources.

Providers of Real Estate Services to Portfolio Investments

We provide operational support, regulatory or legal support, specialized operations and consulting services and similar or related services to one or more TPGRE Vehicles or portfolio investments in connection with the identification, acquisition, holding, operation 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 Advisory Professionals). We refer to such services as "Real Estate Services." These services include, for example,

- property management;
- asset management;
- development;
- construction;
- leasing;
- brokerage;
- mortgage and other financing;
- loan servicing;
- support or analysis regarding a company's or a property's (as applicable):
 - management (including serving in management positions or participating in the determination of corporate strategy);
 - 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 investment 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 investment 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); and
- procurement programs (see “*Item 5 – Leveraged Procurement*”); and
- other real estate and operational services.

Occasionally, whether a service constitutes a Real Estate Service is not clear. In these instances, we will consider, in our sole discretion, a service a Real Estate Service if we determine that (i) third parties often provide such a service, (ii) it is a service requiring real estate or 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 Real Estate Services subject to reimbursement, as they are not real estate or operational services requiring specialized experience or expertise. Services such as establishing or assessing a leveraged procurement plan, developing a market survey designed to enhance market share, or creating a leasing strategy plan to identify cross-tenanting opportunities at multiple properties within a portfolio would be types of specialized real estate and operational services that would be subject to reimbursement, as these services require real estate or operational expertise. We engage TPG professionals to provide Real Estate Services when we believe that they more effectively drive value creation than independent service providers.

Real Estate Services Expenses will at times also be incurred in respect of portfolio investments prior to the closing of the investment and to TPGRE Vehicles in connection with their diligence of potential investments.

As noted in Item 5, portfolio investments and/or the TPGRE Vehicle will reimburse the costs and expenses associated with Real Estate Services (“Real Estate Services Expenses”). Such reimbursements for Real Estate Services generally will not reduce the management fees charged to TPGRE Vehicles, regardless of whether the Real Estate Service Expenses are incurred in connection with a Real Estate Services provider who is our employee or affiliate. Real Estate Services Expenses will typically be determined in our discretion taking into account the particular Real Estate Services.

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

If a TPG employee provides the Real Estate Services, we generally determine the associated Real Estate 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 Real Estate Services. We use a similar formulation for calculating the reimbursement amounts for Real Estate Services provided by consultants, including Senior Advisory Professionals. As explained above under “*Conflicts Relating to Activities and Compensation of TPG Operations Professionals*,” these professionals typically have tailored compensation arrangements specific to their engagement that we negotiate with them in our discretion. Given the inherently specialized nature of such services, a limited market for such services exists, often setting no clear market guidelines on appropriate compensation. Although we intend operations professionals to be compensated at competitive rates, their compensation will not necessarily be determined through arm’s-length negotiation.

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

Reimbursements from portfolio investments in respect of Real Estate 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 investment granted to the TPGRE Personnel or other affiliate who provides Real Estate 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 TPGRE Personnel or other affiliate.

Conflicts Related to the Hiring of Asset Managers or Servicers

The general partner of a TPGRE Vehicle will from time to time hire asset managers or servicers (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 servicing, operational or other services with respect to portfolio investments. The fees to be paid to the Servicer are determined at the discretion of the general partner taking into account the assets to be governed by such agreement, may include a profits interest or other incentive-based compensation to the Servicer, and are otherwise determined according to one or more methods, including a percentage of the value of the assets being serviced or the invested capital exposed to such assets, and/or a percentage of cash flows from such assets. In the event one or more Servicers is providing services to multiple TPGRE Vehicles, we will allocate such fees among these TPGRE 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 TPGRE Vehicle’s Governing Documents, will require approval of the TPGRE Vehicle’s advisory committee. Our affiliates or those of the general partner will benefit from these arrangements.

Conflicts Related to Investments of TPGRE Personnel

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

In addition, TPGRE 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 TPGRE Vehicles and/or which may invest in similar industries and sectors as the TPGRE Vehicles. Such TPGRE 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 companies as the TPGRE Vehicles and there may be situations in which such investment vehicle purchases securities from, or sells securities to, a TPGRE Vehicle. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the TPGRE Vehicles. Such personnel may be incentivized to cause a TPGRE 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 TPGRE Vehicle. We may also provide customization by forming separate accounts for certain investors that would invest alongside the applicable TPGRE Vehicle on terms that differ from those in the TPGRE Vehicle’s Governing Documents. A side letter typically relates solely to an investor’s interest in a single TPGRE Vehicle (i.e., it does not relate to any other TPGRE Vehicle or Related Fund) and allows the investor to make its investment in the TPGRE 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 management 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 TPGRE Vehicle;
- consent rights with respect to certain amendments to documents that govern their rights and obligations and those of the applicable TPGRE Vehicle;

- the right to transfer interests in the applicable TPGRE Vehicle;
- the right to withdraw from the applicable TPGRE Vehicle in the event of adverse tax or regulatory events;
- the right to appoint a representative or observer to the advisory committee of the applicable TPGRE 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 TPGRE 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 TPGRE 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 TPGRE 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 certain TPGRE Vehicles, however, include a “most-favored nation,” or “MFN,” clause whereby an investor receives certain rights and benefits granted in certain other side letters with respect to the TPGRE Vehicle. Except to the extent required by the Governing Documents of the applicable TPGRE Vehicle, we and our related entities have no obligation to offer any such additional rights, terms or conditions to any other investor in such TPGRE Vehicles. Side letter arrangements with certain investors of the TPGRE 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 TPGRE 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 TPGRE 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 management fee, and the waiver or reduction of other restrictions. The TPGRE Vehicles have no obligation to disclose or offer such favorable terms to any other investor in the TPGRE Vehicle, except to the extent required by the Governing Documents of the applicable TPGRE Vehicle.

Diverse Membership

The investors in a TPGRE 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 TPGRE Vehicle’s investments, as well as the manner in which it makes, structures, holds and exits them, will therefore lead to a more favorable legal, tax or regulatory outcome for some of its investors. In selecting investments appropriate for the TPGRE Vehicle, we generally consider the investment objectives of the TPGRE Vehicle as a whole, not the investment objectives of any of its investors individually. To the extent we are able to structure certain investments based in part on the investors’ respective legal, tax and regulatory constraints, we will not take into account such interests as they relate to each individual investor. Each investor in a TPGRE 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 portfolio 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 TPGRE 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 TPGRE Vehicle’s general partner as manager of, the AIV may differ from those applicable to such TPGRE 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. For example, ownership restrictions applicable to companies in certain industries may compel us to limit a particular AIV to a certain category of investors. In these instances, we would restrict the ability of those investors to transfer their interests if doing so would jeopardize our ability to comply with the ownership restrictions.

In addition, investors in a TPGRE Vehicle typically engage in a broad range of investment activities in addition to their investment in the TPGRE Vehicle. We expect some investors could enter into various transactions relating to the TPGRE Vehicle or its portfolio investments, such as co-investments alongside the TPGRE Vehicle (see “*Allocation of Co-Investment Opportunities*”), financing transactions for the TPGRE Vehicle or its portfolio investments and the acquisition of interests in portfolio investments from the TPGRE Vehicle. So long as an investor is not otherwise our affiliate, these types of transactions generally do not require the consent of the TPGRE

Vehicle's advisory committee or investors more generally. In connection with their investing activities, investors in the TPGRE Vehicles in some cases also have additional access to the management of, or enhanced information rights regarding, the TPGRE Vehicle's portfolio investments or the ability to serve on or observe a portfolio investment's board of directors.

Investors that serve on a TPGRE 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 TPGRE 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 TPGRE Vehicle or TPG, even if they are adverse to other investors in the TPGRE Vehicle. In addition, each member of a TPGRE 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 TPGRE Vehicle do not need to take into account the interests of other investors in voting on matters presented to partners more generally.

We have entered, and expect in the future to enter, into contractual arrangements established pursuant to broader strategic relationships with selected investors. Each such contractual arrangement is highly customized to reflect the specific broader strategic relationship between 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 TPGRE Vehicle establishes or invests in portfolio investments that in turn seek to acquire interests in related companies or assets or engage in other business activities. We often structure these portfolio investments, which we refer to as "platform companies," as operating joint ventures, holding companies, partnerships, structured finance vehicles, 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 TPGRE Vehicle makes such an investment, we generally would expect the TPGRE Vehicle to monetize its interest in a platform company through a sale or public offering of the platform company (or the TPGRE Vehicle's stake in the company) or through sales of the platform company's underlying assets.

While the TPGRE 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 investments), 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 TPGRE Vehicle and other Funds or Related Funds. The structure of each platform and the engagement of personnel will vary, including whether a management team's services are exclusive to the platform and whether the members of the management team are employed directly by the platform or indirectly through a separate management company established to manage such platform. Platform structures may change during the investments' hold period, for instance, in connection with restructurings or dispositions. 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 investments, including similar platform companies of the TPGRE Vehicle, predecessor funds and successor funds (and receive a fee or other compensation in connection with such services), generally without triggering the advisory committee disclosure, review or consent provisions of the TPGRE Vehicle's Governing Documents applicable to transactions with affiliates. These individuals are not considered to be affiliates of ours for purposes of the TPGRE Vehicles' Governing Documents solely as a result of their role as a member of a portfolio company's management team.

In addition, a platform company or its management team may forward to unaffiliated third parties or Related Funds or their portfolio investments any investment opportunity that we reasonably believe is not suitable for the TPGRE Vehicle or such platform company (e.g., because the investment does not have a risk or return profile compatible with the TPGRE Vehicle's investment objectives) and receive a fee or other compensation from such person. Any such fees or compensation generally would not trigger the advisory committee disclosure, review or consent provisions of the TPGRE Vehicle's Governing Documents applicable to transactions with affiliates and would not constitute portfolio fees that would offset the management fee.

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 TPGRE 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. The compensation paid to the management team would be in addition to, and will not offset, the management fee payable by investors in the TPGRE Vehicle.

A platform company's structure and relationship to us creates conflicts of interest. For example, although we (by virtue of our control of the TPGRE 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 TPGRE Vehicle) bears the attendant expense. 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 TPGRE 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 Interactions with Portfolio Investments

Portfolio investments of TPGRE Vehicles (or Related Funds) generally are not our affiliates for purposes of a TPGRE Vehicle's Governing Documents. As a result, the Governing Documents' provisions that relate specifically to our affiliates do not apply to TPGRE Vehicles' (or Related Funds') portfolio investments or their management teams or employees, even if we have a significant economic interest in a portfolio investment and/or ultimately control it through our control of the relevant fund. For example, in the event that a TPGRE Vehicle or one of its portfolio investments purchases products or services from, or otherwise enters into a transaction with a portfolio investment of another TPGRE 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, investment opportunities that the platform company management sources for the platform company generally will not be offered to the TPGRE Vehicles.

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

From time to time TPGRE 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 TPGRE 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 TPGRE Vehicles (or their portfolio investments) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that we will favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person. Portfolio investments of TPGRE Vehicles also could be counterparties or participants in agreements, transactions or other arrangements with portfolio investments of other TPGRE Vehicles that involve fees and/or servicing payments to us or our affiliates which are not subject to management fee offsets or otherwise shared with the relevant TPGRE Vehicles.

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

Current and former officers and executives of portfolio investments also invest in TPGRE Vehicles. While we believe this aligns portfolio investment management teams with the best interests of the TPGRE Vehicle, we may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company 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 TPGRE Vehicles and/or who provide services to businesses that are our competitors. For example, we may be presented with opportunities to receive financing and/or other services in connection with a TPGRE Vehicle's investments from certain limited partners or investors, as applicable, or their affiliates that are engaged in lending or other business. We have a conflict of interest with the TPGRE Vehicle in recommending the retention or continuation of a service provider if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in TPGRE Vehicles or Related Funds or will provide us information about our competitors. There is a possibility that we, because of such belief or for other reasons, will favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

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

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

It is possible that we exercise our discretion to enter into transactions with investors in one or more TPGRE Vehicles to dispose of all or a portion of certain investments held by one or more TPGRE 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 TPGRE Vehicles, taking into account the sale price and the other terms of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable TPGRE Vehicles. Any such transactions will comply with the Governing Documents of the applicable TPGRE Vehicles.

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

TPGRE Vehicles and the Related Funds often engage common legal counsel to represent all of the TPGRE Vehicles and/or the Related Funds in a particular transaction, including a transaction in which a TPGRE Vehicle, other TPGRE Vehicles or Related Funds have conflicting interests because they have invested in different securities of a single investment. In the event of a significant dispute or divergence of interest between a TPGRE Vehicle, other TPGRE Vehicles or Related Funds, such as in a work-out or other distressed situation, separate representation will typically become desirable, in which case we and the other Related Advisers may hire separate counsel in our sole discretion, and in litigation and other circumstances, separate representation will occasionally be required. Law firms engaged to represent TPGRE Vehicles and Related Funds, partners in those firms or entities affiliated with those firms may be investors in such TPGRE Vehicle, other TPGRE Vehicles or Related Funds, and may also represent one or more portfolio investments or limited partners of such TPGRE Vehicle, other TPGRE Vehicles and/or Related Funds.

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 TPGRE Vehicle or a family member of TPGRE Personnel) to perform services (including brokerage services) for us in connection with our provision of services to the TPGRE Vehicles. When engaging a related person to provide such services, we will generally have a financial, personal or other business incentive to recommend the related person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost. From time to time we, in our discretion, recommend to a TPGRE Vehicle or one of its portfolio investments that it contract for services or, in providing services to a TPGRE Vehicle, directly engage with

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

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

TPGRE Personnel have family members that are actively involved in industries and sectors in which the TPGRE 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 TPGRE Vehicles or other counterparties of the TPGRE Vehicles and their portfolio investments. Moreover, in certain instances, the TPGRE 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 TPGRE Vehicles' Organizational Documents will not preclude TPGRE 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 TPGRE 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 TPGRE Vehicle under applicable law, the general partner of the TPGRE Vehicle will not seek the consent of the limited partners of such TPGRE Vehicle but will have the authority to act for the TPGRE Vehicle in determining whether or not to provide any required consent.

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

Conflicts Related to the Valuation of Assets

We generally determine, in our discretion, the fair value of each TPGRE Vehicle's assets. While we follow rigorous valuation methodologies and procedures that are designed to ensure that our fair value determinations are strictly the product of the application of U.S. generally accepted accounting principles (in particular, Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements), we have incentives to arrive at higher valuations. First, when we determine that the fair value of an investment by certain TPGRE Vehicles is less than the capital contributions made with respect to it, we are obligated under the relevant Governing Documents to write down the asset, and the TPGRE Vehicle 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, we regularly report to investors in the TPGRE Vehicles, prospective investors and the investor community more generally metrics of the TPGRE Vehicles' performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the TPGRE Vehicles' investments, including unrealized investments. These reports are an indication of the overall health of the TPGRE Vehicles and are important to our efforts to attract investors to TPGRE Vehicles and Related Funds. An objective of our valuation methodologies and procedures is to eliminate any influence these incentives may have on our fair value determinations.

Our valuations will be based to a large extent on our estimates, comparisons and qualitative evaluations of private information, which may be incomplete or inaccurate. Third parties therefore may not be able to replicate our methodology or to value accurately the TPGRE Vehicles' investments. The amount of judgment and discretion inherent in valuing assets renders valuations uncertain and susceptible to material fluctuations over possibly short periods of time; substantial write-downs and earnings volatility are possible. Our determination of an investment's fair value may differ materially from the value that would have been determined if a ready market for the securities or property 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 TPGRE Vehicles have fixed investment periods after which capital is only permitted to be drawn down in limited circumstances, and management fees are, at certain times during the life of those TPGRE Vehicles, based upon capital invested by the TPGRE Vehicles. This fee structure creates an incentive to deploy capital when we would not otherwise have done so.

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

Although these fees for Related Services are in addition to the management fees, we will in many circumstances be obligated to reduce the amount of management fees paid by the applicable TPGRE Vehicle by an amount equal to all or a portion of such fees for Related Services. The specific amount and nature of this reduction varies among TPGRE Vehicles and is generally set forth in the Governing Documents of the applicable TPGRE Vehicle. Entities other than TPGRE Vehicles that participate in investments alongside the TPGRE Vehicles (such as entities through which we and certain of our employees and affiliates invest alongside the TPGRE Vehicles) often have a right to share in such fees, and management fees will generally not be reduced in connection with the receipt of such entities’ share of such fees. In many cases with respect to the implementation of such arrangements, there is not an independent third party involved on behalf of the relevant portfolio investment 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 investment by virtue of the fact that we are acting on behalf of both parties. Furthermore, as noted above, a TPGRE Vehicle will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee allocable to another entity, including, if applicable, a Co-Investment Vehicle. As some TPGRE Vehicles do not pay management fees (e.g., certain Co-Investment Vehicles), or do not have offset provisions requiring the reduction of management fees, any such reduction will not benefit such TPGRE Vehicles.

Conflicts Related to the Employee Retirement Income Security Act of 1974

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

Conflicts Arising from the Exit of Certain Investments

The general partner of a TPGRE Vehicle, or its affiliates, from time to time may receive distributions in kind from an investment disposition. In the event the general partner, or its affiliates, receives such a distribution, the general partner may act in its own interest with respect to its share of securities and will determine to sell the distributed securities, or hold the distributed securities for such time as the general partner will determine. The ability of a TPGRE 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 TPGRE Vehicle, and the TPGRE 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 TPGRE Vehicle and related documents are detailed agreements that establish complex arrangements among us, the limited partners, the TPGRE Vehicle, the general partner and other entities and individuals. Questions 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 TPGRE Vehicles or their investors.

Conflicts Related to the Withholding of Certain Information

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

partners for reasons relating to the general partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

ITEM 12 – BROKERAGE PRACTICES

Investment or Brokerage Discretion

For each of the TPGRE Vehicles, we have sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. We seek the best price and execution available except to the extent we are permitted to pay higher brokerage commissions in exchange for brokerage and research services. “Best execution” means obtaining for a TPGRE Vehicle the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), subject to the circumstances of the transaction and the quality and reliability of the executing broker or dealer. 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 TPGRE Vehicles have been treated fairly and honestly in prior trades;
- the quality of execution and service rendered by the broker-dealer in prior transactions;
- any proprietary research and investment ideas; and
- our overall relationship with the broker-dealer.

TPG BD may also, in some cases, act as a broker in transactions on behalf of TPGRE Vehicles. However, TPG BD 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 TPGRE Vehicles in excess of those that other broker-dealers not providing such services might charge so long as we determine in good faith the amount of commissions is reasonable in relation to the value of the brokerage and research services provided, taking into account all of the accounts over which we exercise investment discretion. Recognizing the value of the brokerage and research services provided, we 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 TPGRE Vehicle transactions in light of the factors discussed above.

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

Cross Transactions

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

underperforming assets to another TPGRE Vehicle in order, for example, to earn fees. Additionally, in connection with such transactions, we

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

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

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

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

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

Trade Aggregation

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

in a “bunched” order generally participates at the same price as all other participants, and all transaction costs on the order are generally allocated pro rata to all participating TPGRE Vehicles.

ITEM 13 – REVIEW OF ACCOUNTS

Review of Accounts

The investment portfolios of the TPGRE Vehicles are generally private, illiquid and long-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 TPGRE 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 TPGRE Vehicle unless specifically requested by the general partner of the vehicle. We generally report to investors in a TPGRE Vehicle in accordance with the applicable Governing Documents.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

For information regarding any economic benefits we receive from non-clients, including a description of related conflicts of interest, please see “*Item 10 – Other Financial Industry Activities and Affiliations*” above. In addition, as discussed in Item 11, we and our related persons, in certain instances, receive discounts on products and services provided by portfolio investments held by TPGRE Vehicles 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 are established to invest alongside one or more Funds in one or more particular investment opportunities. Because a Co-Investment Vehicle is typically contractually required, as a condition of its investment, to exit its investment in the particular investment opportunity at the same time and on the same terms as the applicable Fund that also is

invested in the particular investment opportunity, we generally will not have any discretion to invest the assets of such Co-Investment Vehicles independent of such contractual requirements.

ITEM 17 – VOTING CLIENT SECURITIES

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

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

TPGRE Vehicles generally cannot direct our vote.

Our Chief Compliance Officer or his/her delegate (a “Proxy Reviewer”) is responsible for monitoring proxy decisions for any actual or perceived conflicts of interests. All proxy voting decisions require a mandatory conflicts of interest review by a Proxy Reviewer, which includes consideration of whether we or any investment professional or other person recommending how to vote the proxy has an interest in how the proxy is voted that may present a conflict of interest. When the Proxy Reviewer deems appropriate in his/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 TPGRE Vehicles, we vote in a manner that we believe is consistent with the best interest of the TPGRE Vehicles, which may include agreeing with a third party to vote on a matter in a particular manner if we deem such agreement to be in the best interest of the TPGRE Vehicles. We do not permit proxy voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

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

ITEM 18 – FINANCIAL INFORMATION

Not applicable.