RVK

Private Credit Due Diligence Report

State of Wyoming Treasurers' Office – Investment Funds Committee

TPG AG Credit Solutions Fund III

February, 2025

PORTLAND BOISE CHICAGO NEW YORK

Due Diligence Report

TPG AG Credit Solutions Fund III

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SUMMARY OF THE INVESTMENT OPPORTUNITY

TPG Angelo Gordon
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		Terms
Fund Size:	$4.5 Billion	$100M-$199M, 1.45%
Target Return:	14% Net IRR	20% Carried Interest
Minimum:	$5 million	8% Preferred Return
Fund Type:	Special Situations	3-Year Investment Period
Geography:	North America & Europe	2-Year Fund Term
Fund Structure:	Closed-Ended	Unlevered

Investor Contact

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Figure 1: Strategy Series Summary (as of 9/30/2024)

Fund	Vintage	Invested Capital ($M)	Net IRR	Net IRR Quartile	Net Multiple	Net Multiple Quartile
CSF I	2019	$5,236	12.5%	2nd	1.40x	3rd
CSF II	2021	$4,745	11.4%	2nd	1.18x	2nd
CSF IIA	2022	$1,550	16.4%	1st	1.16x	2nd

RVK has calculated performance data using cash flows provided by the manager. All CSF Funds have been compared against the Special Situations private credit peer group provided by Preqin, which reflects the most up-to-date data as of 9/30/2024.

EXECUTIVE SUMMARY

The following is a review of TPG AG Credit Solutions Fund III, L.P. ("CSF," the "Fund'" or the "strategy"), a Delaware Limited Partnership, is a special situations credit strategy offered by TPG Angelo Gordon ("Firm," or "TPG AG").

The Fund is a closed-ended, drawdown vehicle that will be the successor offering in the Credit Solutions series. CSF will invest in idiosyncratic opportunities in which the Firm can utilize its structuring expertise and scale to create unique, bi-laterally negotiated solutions for companies with complicated circumstances. The portfolio is expected to consist of investments in both public and private opportunities, allowing the Fund to react to various market environments and consider the relative risk-adjusted return. The Fund will focus on opportunities primarily in the United States and Europe.

The Firm expects the Fund's strategy to be consistent with TPG AG Credit Solutions II and have an emphasis on building an all-weather opportunistic credit portfolio through a flexible mandate that will not require the team to time a cycle but will instead allow them to create bespoke credit solutions for companies experiencing stress or a unique financial situation, or take advantage of public market dislocations in a period of stress. The Fund will target a sector-diversified portfolio. Roughly 70% of investments are expected to be in companies in North America, with most other investments being in Europe, with a 5-person team in London.

In the fourth quarter of 2023, Texas Pacific Group ("TPG") finalized its acquisition of Angelo, Gordon & Co., LP ("AG" or "Angelo Gordon"). Now known as TPG AG, the Firm is an investment management organization specializing in global alternative investments. The Firm was founded in 1988 by John Angelo and Michael Gordon, focusing on distressed debt and special situations. Today, the Firm's strategies have grown to encompass broader corporate credit, direct lending, structured credit, and real estate. As of March 31, 2024, TPG AG manages approximately $80 billion in assets. The Fund benefits from significant resources due to the Firm's scale, with over 680 employees, including more than 220 investment professionals. The Firm is headquartered in New York but has 12 offices across the US, Europe, and Asia-Pacific. TPG now manages $224 billion, including TPG AG, across private equity, impact, credit, real estate, and other market solutions capital. While the acquisition is not expected to impact the continuation of the Credit Solutions strategy, RVK will continue to monitor the integration of the two firms.

Angelo Gordon launched the first vintage, AG Credit Solutions Fund I, in 2019 following the hiring of Ryan Mollett as Global Head of Credit Solutions to take advantage of the Firm's expertise in both the public and private credit markets and pivot between the two as the market opportunity shifts. The Fund will be an all-weather strategy that aims to create positive outcomes in stressed or distressed companies without the need to take control or go through bankruptcy or default events to generate value or returns for companies and investors. TPG AG will instead attempt to create alignment and build constructive relationships with its target borrowers' executive leadership and equity owners, including creating credit solutions to help resolve financial challenges. The Fund will also opportunistically invest in discounted public credit securities and exit at a premium as prices recover following short-term market dislocations, such as those spurred by the onset of COVID-19-related global lockdowns in the first quarter of 2020. Since 2019, the Firm has invested $12.6 billion across the Credit Solutions fund series. The Credit Solutions investment team of 27 continues to grow with new additions beginning in the summer of 2024. The team is led by Ryan Mollett, previously a Senior Managing Director at Blackstone and an investment committee member of GSO Capital Partners' Global Distressed Investment Team. He is the sole decision-maker for each investment.

The investment period for CSF III is expected to be the later of the third anniversary of the first capital contribution or the second anniversary of the final close. The harvest period is expected to be two years, followed by two possible one-year extensions at the sole discretion of TPG AG. TPG AG is seeking $4.5 billion in investor commitments for the Fund.

CSF III targets an unlevered net IRR of 14%. Figure 1 above shows that CSF I & II have fallen just short of generated net returns within the target range, with a net IRR of 12.5% and 11.4% for CSF I & II, respectively. TPG AG may achieve the target as investments in both portfolios become realized. However, CSF IIA has exceeded target returns with a net IRR of 16.4%. The expectation is that these returns can be accomplished without taking the typically expected level of default risk, as the strategy has experienced a loss ratio of 3.2% despite operating during several challenging credit market environments.

Scope of Work

Our review of this offering included:

- Several virtual meetings with senior and junior professionals on the TPG AG team
- An onsite visit to TPG AG's New York City office that included a meeting with several senior professionals on the TPG AG Credit Solutions Fund ("CSF") team
- A qualitative assessment of the General Partner, the investment strategy, and the investment process
- An evaluation of the current market environment and expected opportunity set
- An in-depth quantitative review of CSF's portfolio and track record focused on position-level performance, attribution, performance sensitivity, and risk of capital loss
- An evaluation of the Fund's terms from an investment perspective

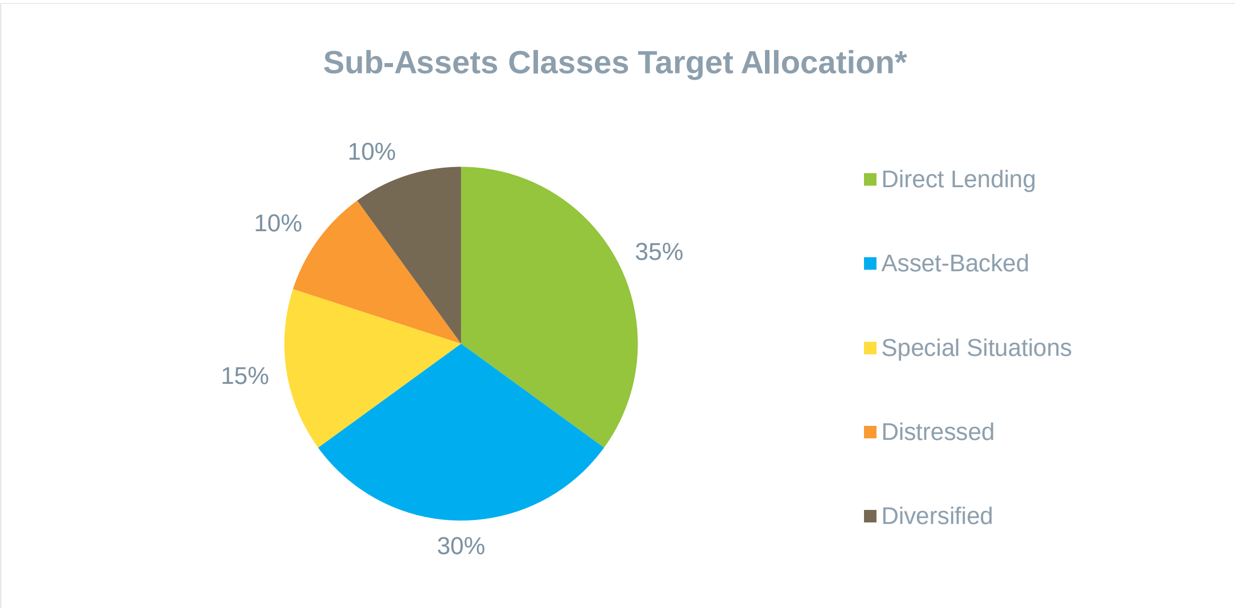
Role in the Portfolio

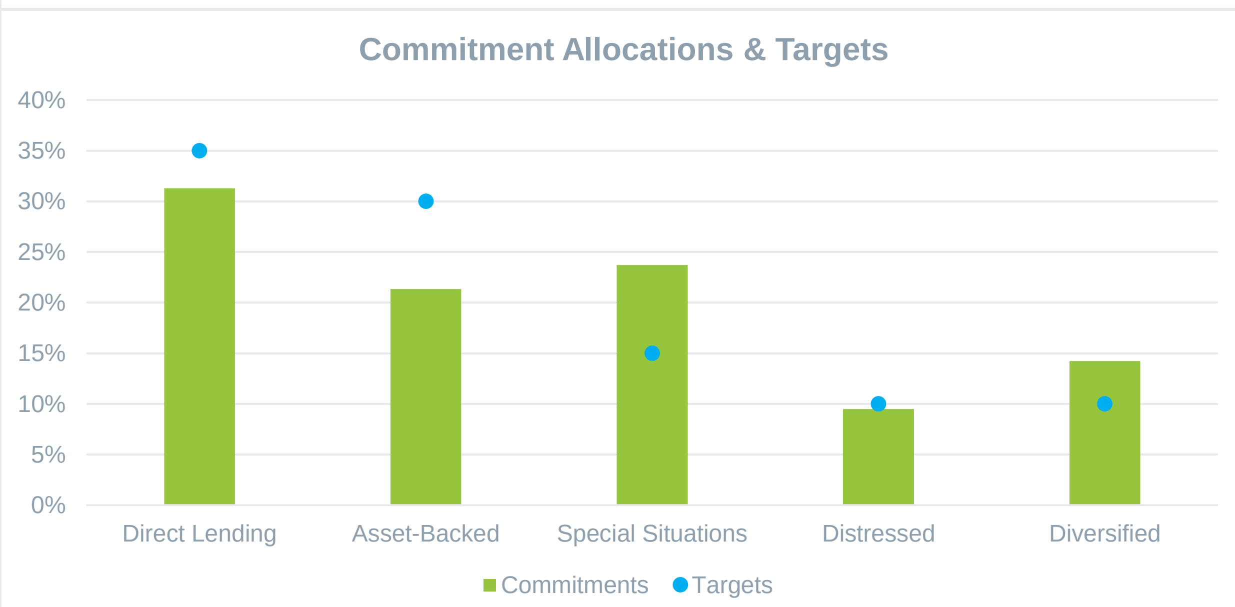
Within a portfolio context, we expect this Fund to provide a robust income-driven return, a relatively low correlation to shifts in global asset prices, and meaningful insulation against default-driven losses. The strategy seeks to accomplish these goals by focusing on senior secured debt and income-generating assets, its high level of investment theme diversity, robust structural protections, and active involvement with many of its borrowers. As a result, we believe the Fund is generally most appropriate for investors seeking to optimize the long-term risk-adjusted returns of their private credit portfolios, to reduce market sensitivities within their private credit portfolios without materially lowering their expected level of long-term return, and to take advantage of focused pockets of yield distortion during periods of higher credit market volatility.

Compared to mainstream, cash flow-backed private credit strategies such as direct lending, CSF's profile represents more significant diversification potential, a more fertile expected opportunity set, a higher unlevered absolute return potential, and a more favorable risk-return tradeoff for most private credit investors' portfolios. Furthermore, TPG AG CSF's appetite for bespoke investments makes it a potential diversifier for established private credit portfolios skewed toward focusing on traditional direct lending to sponsored borrowers. As a result, we expect CSF's position-level overlap with most other private credit funds to be minimal and for the Fund's overall profile to remain meaningfully distinct from those of other private credit investments throughout the Fund's life. Given the increasingly volatile financial and economic landscape credit investors faced in 2023-2024, we believe that CSF's special situations focus and considerable breadth represent an especially compelling opportunity for portfolio-level diversification and the capture of yield premiums in credit opportunities experiencing price distortions.

Portfolio Context and Pacing Review

The private credit portfolio of the Wyoming State Treasurers' Office is currently guided by a strategic plan approved in 2022. This strategic plan was developed by Staff and RVK, incorporating feedback from the Investment Funds Committee, and takes into account market conditions, the relative attractiveness of each market segment, and each segment's fit with Wyoming's goals for the private credit portfolio. The figures below outline the 2022 strategic plan and capital deployment to date in the current plan.

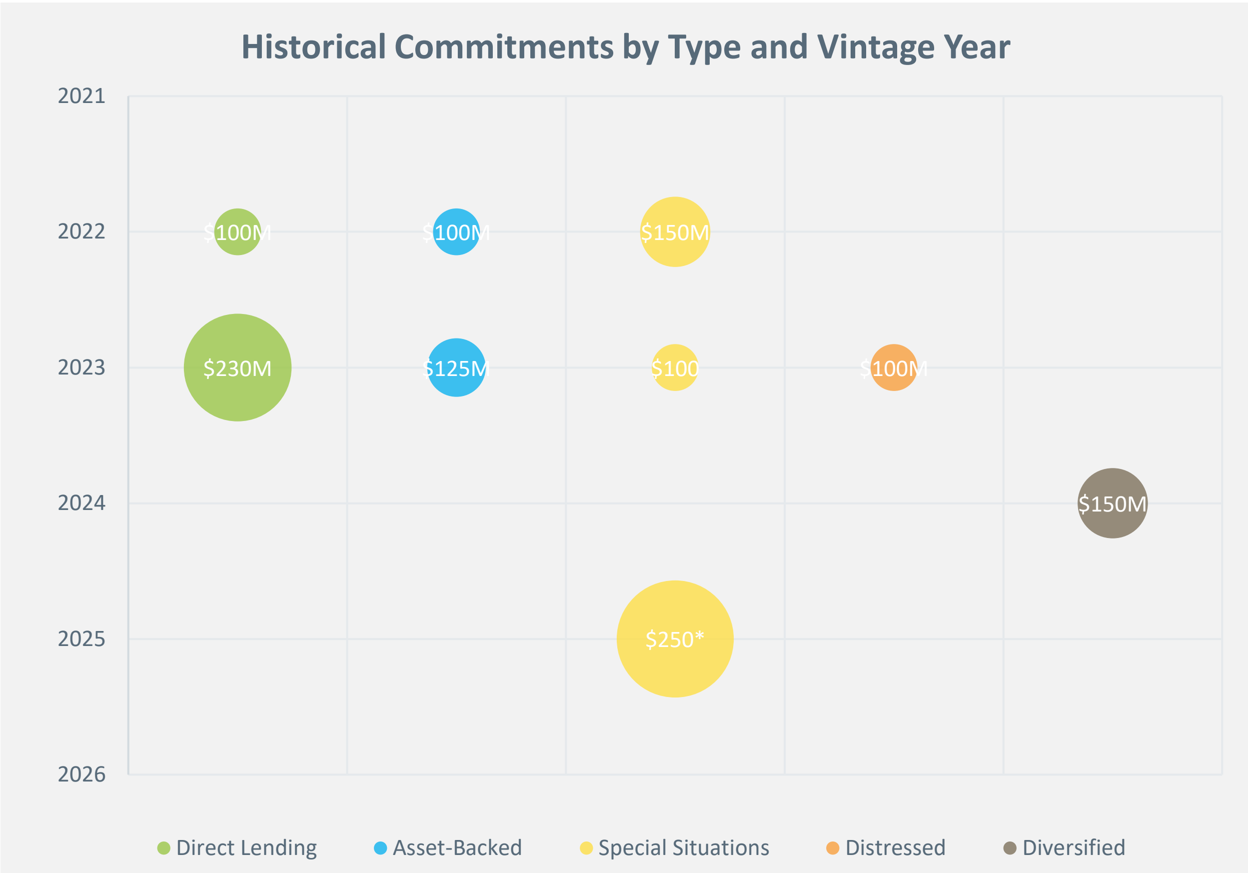




*Allocations can vary due to the market opportunity at any given time. However, the ranges for a diverse private credit portfolio are direct lending 30%-40%, asset-back 25%-35%, special situations 0%-15%, distressed 0%-10%, and diversified 0%-10%.

As a reminder, RVK recommends evaluating and adjusting strategic plans every five years or when a substantial change in plan goals, constraints, or objectives occurs. This strategic plan, combined with the current annual pacing recommendation of $400-$450 million, which RVK expects to revise each year, informs each year's recommendations and the forward calendar. RVK would also note that we believe both strategic plan allocations and annual pacing targets should be viewed as guidelines rather than rules. Individual vintage years are likely to diverge from the strategic plan significantly, as private credit strategies commonly fundraise in two or four-year cycles, and the quality of current opportunities will drive each individual vintage year's allocations, which RVK expects to approximate the strategic plan targets at the end of the five year period.

Based on the expected volume of commitments and RVK's research into private credit portfolio diversification, we would anticipate two to four commitments to closed-ended private credit funds and one to two new or add-on evergreen commitments annually to achieve a well-diversified portfolio that allows for concentration in compelling investment strategies. As of February 2025, Wyoming has committed $330 million to direct lending strategies, $225 million to asset-backed strategies, $250 million to special situations strategies (not including $250 million in commitments in 2025), $100 million to distressed strategies, and $150 million to diversified strategies since the approval of the current strategic plan in 2022. The following chart summarizes annual commitments by strategic plan segment.



*The $250 million commitment amount consists of a $100 million commitment to Kennedy Lewis Capital Partners Fund IV (re-up) and a $150 million commitment to TPG AG Credit Solutions Fund III, which has not yet been approved.

The current recommendation for a $150 million commitment to TPG AG Credit Solutions Fund III would continue to support capital deployment in special situations. Special situations strategies tend to launch funds when the market presents an opportunity, so while it may look like the program is overweight in the special situations category in 2025, potential allocations to direct lending and asset-backed strategies in 2025 and 2026 will bring that closer to target allocation.

MERITS & ISSUES TO CONSIDER

Merits

The Scale of TPG & AG Platform: Angelo Gordon, founded in 1988, is one of the oldest and most established private credit platforms. Similarly, TPG was founded in 1992, making it one of the oldest private equity platforms. Following the acquisition of Angelo Gordon by TPG in November of 2023, the two firms have combined to become one of the largest alternative asset managers in the world, with total assets under management exceeding $200 billion. The combined breadth of the TPG AG platform now includes private equity, private credit, real estate, and public equity.

New entrants have flooded the private credit market, increasing competition for deals. Achieving scale is increasingly important when vying for these deals. Firms like TPG AG can pursue larger deals and represent the entirety of a transaction. TPG AG can then allocate that deal across the various funds where it fits best. This provides speed and certainty for the borrower, who does not need to approach multiple lenders to piece together a loan. Additionally, TPG is one of the oldest and largest private equity firms, enabling AG to leverage its expertise when conducting diligence on a company. This collaboration can provide unique insights from an equity perspective that credit investors may not be aware of. However, with TPG purchasing AG in 2023, the integration of the two firms is still young, and collaboration can take time.

Flexible Mandate: The strategy is designed to dynamically pivot between the public and private markets, depending on conditions, to capitalize on the most compelling opportunity set. This flexibility allows capital to be strategically rotated as market environments shift, particularly during heightened market volatility and dislocation. This feature means investors do not need to try to time a default cycle or fear missing out. A flexible mandate may ensure less cycle dependency on capital deployment while introducing the opportunity to generate returns across various market environments.

Differentiated Industries and Sectors: The CSF Fund Series has allocated considerable amounts to industries like homebuilding finance. From a diversification aspect, the CSF strategy could add to a private credit portfolio, considering it has historically invested in industries and sectors that are not as common in other strategies. It should be noted that the CSF strategy accesses the homebuilding industry by investing in the Essential Housing Fund, currently managed by Ryan Mollett and Bryan Rush.

However, there is a concern that in a scenario similar to the Global Financial Crisis, where homebuilders were severely impacted, TPG AG may be left with unsellable land due to the lack of buyers. Additionally, if a sector that the Firm has a considerable allocation to, like homebuilder finance, becomes a popular area within private credit, other firms may start to compete for those deals. Only a handful of large homebuilders purchase land at scale, and if TPG AG has to compete with other lenders, spreads may compress, and return expectations could drift below the target range for the Fund. We have seen this with other stand-alone homebuilder finance funds and other opportunistic strategies that invest in homebuilder finance. However, TPG AG has shown that the Firm will move away from popular areas within private credit and allocate to the less traveled industries in previous funds.

Issues to Consider

Key Person "Executive" Risk: Ryan Mollett is the Fund's lead portfolio manager responsible for the TPG AG Credit Solutions platform. As written, the Key Person clauses may not be triggered during a particular portion of the investment period if Mr. Mollett specifically departs the firm or ceases to devote the required effort to managing the strategy despite his centrality to its management. In RVK's view, Mr. Mollett's contributions are vital to the continued success of the strategy series. Furthermore, TPG AG has 60 days to replace a "Key Executive" at TPG AG's discretion and Advisory Committee approval to avoid tripping the "Key Executive" provision.

However, if Mr. Mollett leaves the firm, it would trigger the "Formation Period Required Effort Failure," which means that if, at any time before (but not including) January 1, 2026, Ryan Mollett ceases to devote his applicable Required Effort, he would trip the provision. One thing to consider is that on 1/26/2026, if Ryan leaves the firm, it will not trip the provision, which is well within the investment period of CSF III.

An example of the risk in how the Key Person clause is currently written is a "Key Executive" Josh Baumgarten, the Head of Global Credit for TPG AG, has left the Firm as of January 1st, 2025, which has not triggered the clause. TPG AG has not updated the LPA to reflect his departure. As currently written, three Key Executives would need to leave the firm to trigger the clause. This is a good example of how the clause presently written does not protect the limited partner and is written in favor of the general partner.

Investment Committee Risk: RVK could not identify anyone named as an Investment Committee Member. The only mention within the DDQ states, "Ryan Mollett is the Portfolio Manager of Credit Solutions Fund III. He is the sole and ultimate decisionmaker for each investment in the Fund." When asked about this, TPG AG indicated that Josh Baumgarten, Head of Credit for TPG AG, has to sign off on all deals. As of January 1st, 2025, Josh Baumgarten is no longer with the Firm. TPG AG has not indicated that they have replaced Josh as the sole check and balance, with Ryan being the sole decision maker. In our view, having one person as the ultimate decision-maker concentrates too much risk on one person. TPG AG indicated that this was done by design, empowering Ryan to move quickly on an investment opportunity and not having to include an investment committee that could potentially slow the process or kill a deal altogether.

TPG's purchase of Angelo Gordon TPG's purchase of Angelo Gordon: The acquisition of Angelo Gordon by Texas Pacific Group, finalized in the fourth quarter of 2024, remains relatively early in its integration phase. For example, RVK's discussions with Angelo Gordon have indicated that bonuses to AG investment professionals as part of the new organization were paid as recently as March 2024. As the integration progresses, we intend to monitor the firm and team for ongoing stability, cultural compatibility, and preserving the integrity of AG's investment processes. Thus far, ongoing conversations with TPG AG are consistent with the continued stability of the teams and investment processes across the legacy AG platform. However, a degree of integration risk remains. TPG has previously acquired two private credit firms—Castlelake and Sixth Street—again independent firms no longer associated with TPG. As a mitigating factor, TPG senior leadership may be improving at integrating private credit platforms. With the emergence of private credit becoming increasingly popular with institutional investors, private equity firms, insurance companies, and global asset managers have been on a spending spree trying to get into the space by purchasing firms with private credit expertise. While the TPG AG alliance allows the two firms to combine their private market expertise between private equity and credit, whether these synergies will translate to successful performance and culture remains to be seen.

Elevated Fees: While TPG AG CSF III offers a 15-basis point discount for investors who come into the fund for the first close, the fees are still higher than we have seen from peers. If an investor wants to allocate $0-$24 million, the management fee is 1.75%, and an investor would have to allocate $300 million or more to get the fee discount to 1.00%. Typically, in similar strategies, management fees start at 1.50%, and with aggregation of capital discounts at $200 million, the fee drops to 1.00%.

Track Record: The Fund launched in 2019 and is now in its third vintage with CSF III. This gives us a shorter track record to determine how the team can perform in different market environments. However, since 2019, the CSF has done over 100 transactions, a significant amount for such a short period. Considering that the Fund can invest in public and structured securities, which tend to have a shorter life, it is unsurprising that the CSF fund series has this many investments.

Investment Recommendation

RVK recommends that the **State of Wyoming Treasurer's Office commit up to $150 million** to **TPG AG Credit Solutions Fund III** to diversify the client's private credit investments and enhance the portfolio's ability to generate competitive returns across all market cycles. RVK believes that this commitment amount:

1. Is of sufficient size to meaningfully augment the portfolio's absolute long-term returns and provide access to a compelling strategy.

2. Is sufficiently limited in size to control the portfolio's exposure to key risks such as manager and vintage year concentration.

3. Is in line with the portfolio's private credit pacing plan.

TPG AG Credit Solutions Fund III benefits from several substantial and sustainable competitive advantages that should allow it to enjoy a risk-adjusted return premium compared to most traditional private credit strategies throughout the market cycle. RVK views the plan offered by TPG AG as a robust special situation platform available to investors.

OVERALL EVALUATION	• Fund terms are mostly industry standard. • Management Fees are high compared to peers. • RVK would determine the Key Person Event Clause as not industry standard. This is addressed in the "Issues to Consider."

Summary of Key Terms

Fund Name	TPG AG Credit Solutions Fund III (CSF III)
Fund Size	$4.5 billion
General Partner Commitment	Equal to at least the lesser of 1.50% of committed capital or $75 million
Target Return	14% Net IRR, Net Multiple 1.45x to 1.55x
Investment Period	The latter of the third anniversary of the first capital contribution or the second anniversary of the final closing
Harvest Period	Two years, with two one-year extensions
Currency	U.S. Dollar - USD
Recycling Option	Full recycling of realized capital during the investment period
Management Fees	See fee schedule below
Preferred Return	8% per annum
Incentive Fee	20% per annum

Management Fees:

Amount ($)	Fee (%)
$0-$24 million	1.75%
$25-$49 million	1.65%
$50-$99 million	1.55%
$100-$199 million	1.45%
$200-$299 million	1.25%
$300+ million	1.00%
15 bps discount for the first close	

Distribution Policy	Fund-Level (European) Waterfall: 1. 100% to Limited Partners until Limited Partners receive an amount equal to their total invested capital. 2. 100% to Limited Partners until Limited Partners receive an 8% preferred return. 3. 80% to the General Partner until the General Partner receives 20% of cumulative distributions.
Fund-Level Leverage	None expected beyond a short-term capital call facility
Key Person Event	"Key Executive Required Effort Failure" means if, at any time during the Commitment Period, three of the Key Executives cease to devote the applicable Required Effort. "Key Executives" are Ryan Mollett, Josh Baumgarten, Jack Weingart, and Jon Winkelried (until any of the foregoing Persons is replaced by a Qualified Replacement), and any Qualified Replacement for any of the foregoing. "Key Person Event" means if (i) a Key Executive Required Effort Failure has occurred, and the Advisory Committee has not approved the appointment of a Qualified Replacement pursuant to the procedures set forth in Section 3.12(a) during the 60-day period immediately following such Key Executive Required Effort Failure, (ii) a Key Professional Required Effort Failure has occurred or (iii) a Formation Period Required Effort Failure has occurred. "Key Persons" means, as of any time, the Key Executives and Jacob Gladstone, Joseph Lenz, Brendan McCaffrey, and Ryan Mollett. "Key Professional Required Effort Failure" means if, at any time during the Commitment Period, both (i) Ryan Mollett and (ii) any one of Jacob Gladstone, Joseph Lenz, and Brendan McCaffrey cease to devote the applicable Required Effort. "Formation Period Required Effort Failure" means if, at any time before (but not including) January 1, 2026, Ryan Mollett ceases to devote his applicable Required Effort.

FIRM BACKGROUND

OVERALL EVALUATION	• Following the acquisition of Angelo Gordon in November 2023, TPG became one of the largest global alternative asset managers, with total assets under management exceeding $225 billion as of 11/30/2024 across private equity, private credit, real estate, and public equity. • The impact of TPG purchasing AG in November of 2023 continues to be monitored.

Founded in 1988 as a privately held firm, Angelo Gordon is a global alternative investment manager with an absolute return orientation. In November 2023, Angelo Gordon was acquired by TPG Inc. and its affiliates ("TPG"), a global investment firm with approximately $229 billion in AUM as of November 30, 2024. Angelo Gordon has since been rebranded to "TPG Angelo Gordon" and operates as a diversified credit and real estate investing platform within TPG. Today, the TPG AG Credit and Real Estate platform has an AUM of $86 billion and includes approximately 650 employees and 230 investment professionals with 16 offices globally.

TPG was founded in 1992 by Jim Coulter and David Bonderman, former colleagues at the Bass Family Office. With family office roots, entrepreneurial heritage, and a West Coast base, TPG developed a distinctive approach to alternative investments based on innovation-led growth and a unique culture of openness and collaboration.

Today, TPG is led by CEO Jon Winkelried, who became sole CEO in 2021 after serving as Co-CEO alongside Jim Coulter since 2015. Along with Mr. Winkelried, TPG's leadership team comprises leading executives and business leaders with an average of 30+ years of professional experience. The platform and product leaders have a median tenure at TPG of 14 years and are supported by a deep bench of talented professionals.

TPG Angelo Gordon is an experienced alternative investment management firm specializing in credit and real estate strategies, with over thirty years of investing tenure. Ryan Mollett, Global Head of Credit Solutions, is the Portfolio Manager of the Fund and will lead a large, 20+ person investment team, with a presence in New York and London, that has deep capabilities and a range of backgrounds, skill sets and experiences spanning investment banking, leveraged finance, restructuring advisory, credit research, sales and trading, legal, consulting and other disciplines. Mr. Mollett's TPG AG CSF team employs a sector coverage model that allows senior analysts and traders to get to know companies in depth within their sector coverage. This also enables the analysts to learn the companies, sectors, management teams, capital structures, and credit documents, which, combined with rigorous, private equity-style diligence and underwriting, is critical in identifying value and recognizing inflection points.

Following the acquisition of Angelo Gordon in November 2023, TPG became one of the world's largest global alternative asset managers, with total assets under management exceeding $225 billion as of November 30, 2024, across private equity, private credit, real estate, and public equity. There are significant opportunities for leveraging resources across the broader TPG Angelo Gordon platform and the entirety of TPG and its multiple investment businesses.

Over time, TPG AG has developed six investment platforms—Capital, Growth, Impact, TPG Angelo Gordon, TPG Real Estate, and Market Solutions- and has identified opportunities to create differentiated solutions and address market needs. Each of the Firm's six investment platforms comprises a range of complementary products invested across target sectors. TPG AG's diverse pools of capital allow them to be flexible investors, which they believe increases both their relevance in the private capital ecosystem and the potential value they can bring to potential portfolio companies and portfolio investments.

As seen in Figure 2, the TPG AG Credit Solutions group has intentionally organized itself to take advantage of the various investment strategies within the greater TPG AG ecosystem across six distinct investment platforms.

Figure 2: TPG AG Platform Overview

	TPG Capital	TPG Growth	TPG Impact Platform
Funds	TPG Capital TPG Asia TPG Healthcare	TPG Growth TPG Tech Adjacencies TPG Digital Media TPG Life Sciences	The Rise Fund TPG Rise Climate The Evergreen Health TPG NEXT
AUM	$72 Billion	$27 Billion	$19 Billion
Investment Type	Primarily invests in large-scale, control-oriented private equity investments.	Flexible capital to pursue growth equity and middle-market investment opportunities.	It focuses on generating strong financial returns and having a social and environmental impact.
	TPG Angelo Gordon Credit	**TPG AG Real Estate**	**Market Solutions Platform**
Funds	Credit Solutions Structured Credit & Specialty Finance Middle Market Direct Lending CLO Multi-Strategy	TPG AG US Real Estate TPG AG Asia Real Estate TPG AG Europe Real Estate TPG AG Net Lease	TPG Public Equity Partners TPG Strategic Capital Fund New Quest Capital Partners TPG GP Solutions Equity Capital Markets Debt Capital Markets
AUM	$67 Billion	$18 Billion	$8 Billion
Investment Type	Invested across a broad range of credit and real estate strategies.	Acquisition of equity interests of underperforming and undervalued assets in the United States, Asia, and Europe.	Capital solutions for both equity and debt capital markets.

Source: TPG AG

TPG AG has over 1,800 employees and advisors across platforms, including over 640 investment and operations professionals. TPG AG believes that its global footprint, sector knowledge, experienced professionals, and collaborative culture have helped it build an integrated investment platform across geographies, skill sets, and asset classes, which it seeks to leverage to produce differentiated deal flow and drive superior risk-adjusted investment returns.

Firm Ownership, Compensation, and Investor Base

Firm Ownership

On January 18, 2022, TPG Inc. completed an initial public offering. In November 2023, TPG Inc. completed the acquisition of Angelo, Gordon & Co., L.P., a global investment manager focused on credit and real estate investing. Angelo Gordon operates as TPG Angelo Gordon ("TPG Angelo Gordon" or "TPG AG"), a platform within TPG. The 90 Partners at Angelo Gordon received 85% equity vested over 5 years and 15% cash. The founders (Michael Gordon & family of the deceased John Angelo) received 90% cash and 10% equity.

Compensation

Professionals are compensated through a combination of base salary and bonus. Bonuses are paid at the end of each year, and amounts are determined by the productivity of the Firm in general, by the performance of the professional's specific department, and by a subjective evaluation of each professional's contribution to their department. Bonus amounts are discretionary and are not a fixed percentage of a professional's base salary. The Firm's compensation structure is intended to foster collaboration among its departments and professionals. As such, an investment team may allocate a portion of its bonus pool to investment professionals on another investment team in recognition of a significant contribution to sourcing a successful investment opportunity. Additionally, senior professionals may be offered the chance to become partners at the Firm.

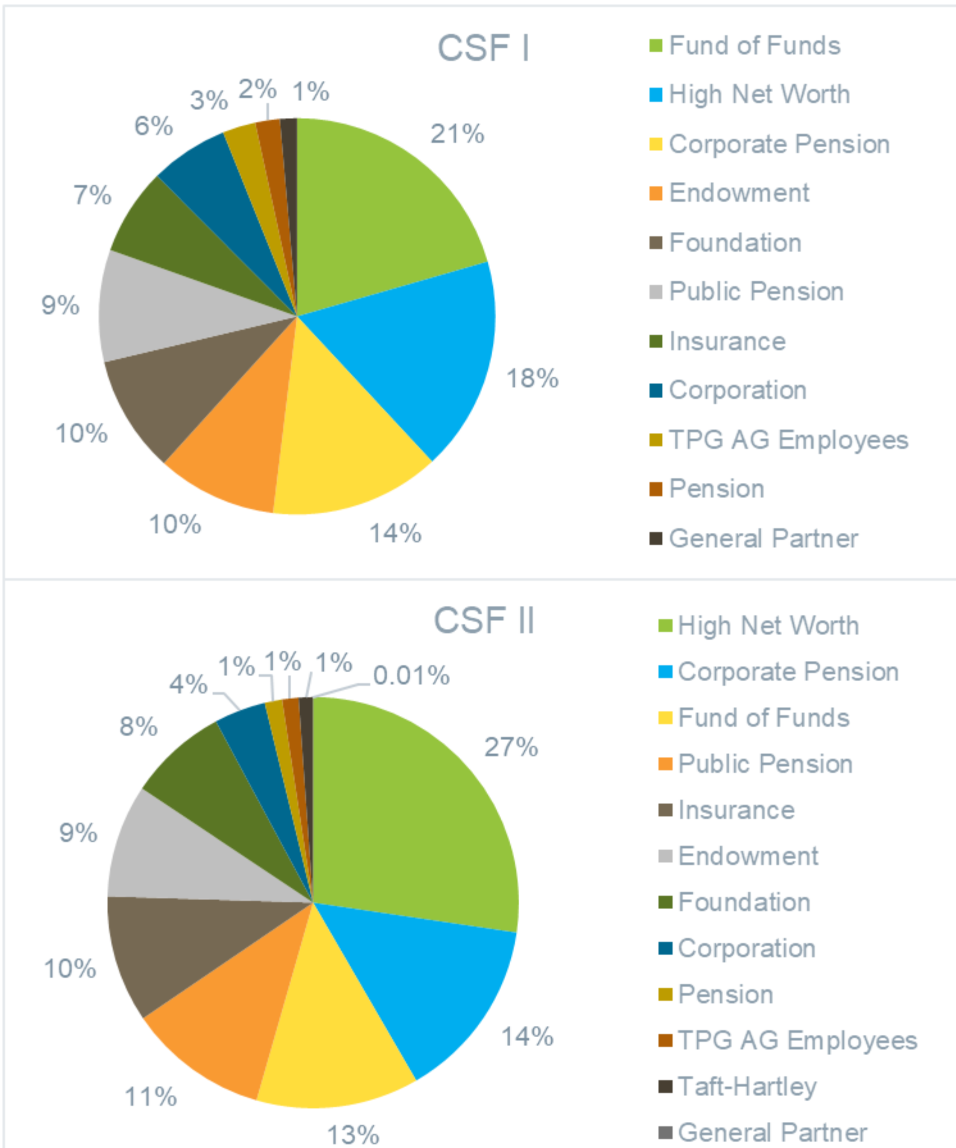
Generally, the incentive fee is shared approximately 50/50 between the investment team and the Firm in connection to managing commingled funds. Regarding the Fund specifically, all investment team members at the Vice President level and above are expected to commit to the fund to be eligible to receive carried interest. The vesting schedule is calibrated to correspond with the amount of work expected to be required of the investment team, with the general result that approximately 60% of the carry points vest during the Fund's investment period, and 40% of the carry points vest over the harvest period. The unallocated points are awarded throughout the investment period as the Portfolio Manager evaluates the relative contribution of each team member. The economic sharing arrangements for the Fund have not yet been determined.

In connection with TPG Inc.'s initial public offering, TPG has adopted the TPG Inc. Omnibus Equity Incentive Plan (the "Omnibus Plan"), which allows equity-based incentive awards to be granted to officers, employees, directors, consultants, advisors, and other service providers and affiliates of TPG. These incentives are provided through the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, cash-based awards, and other stock-based awards. The purposes of the Omnibus Plan are to attract, retain, and motivate employees, to compensate them for their contributions to the long-term growth of TPG, and to align the interests of people with the interests of stockholders.

Investor Base

Most of CSF I & II's assets are of institutional quality (Fund of Funds, Pensions, Insurance, etc.). Figure 3 shows that 82% and 73% of CSF I and CSF II's investor bases are of institutional quality, respectively. However, High Net Worth investors make up 18% of the investor base of CSF I and 27% of the investor base of CSF II. High net-worth investors could be considered investors who prefer liquidity and are not favorable to the investor base.

Figures 3: TPG AG CSF Fund I & II Investor Base



Source: TPG AG & RVK

INVESTMENT TEAM

Ryan Mollett is the Portfolio Manager of Credit Solutions Fund III. He is the sole and ultimate decision-maker for each investment in the Fund. In RVK's view, this introduces a higher-than-typical level of key person risk compared to peers. Forming an Investment Committee with named individuals would help limit that risk.

The investment team is organized by sector focus, with analysts assigned specific sectors of coverage and responsibility to develop and leverage knowledge, relationships, and transactional experiences to be fully embedded in their sector ecosystem. TPG AG believes this structure provides a competitive advantage compared to a generalist philosophy, given each analyst's knowledge of companies, management teams, operating executives, credit documents, capital structures, consultants, bankers and advisors, and other specialists within their coverage areas. Below in Figure 4 is a table of each sector's specialist and their coverage.

Figure 4: Senior Members of the Investment Team by Sector

Name	Title	Region	Sector Coverage
Jacob Gladstone	Co-Head of Research	U.S.	Industrial, Consumer Goods, Specialty Retail, Financials, Automotive & Parts, Transportation
Joseph Lenz	Co-Head of Research	U.S.	Business Services, Energy, Power & Infrastructure, Fitness & Wellness, Aerospace & Defense, Chemicals, Metals & Mining
Michael Ginnings	Managing Director	U.S.	Technology, Media, Telecom
Position Open (John O'Meara recently left this position)	Managing Director	U.S.	Healthcare, Biotechnology & Pharmaceutical
Bryan Rush	Managing Director	U.S.	Essential Housing
Austin Kaplan	Director	U.S.	Building Products, Housing, Construction & Machinery
Brendan McCaffrey	Managing Director	U.S.	Capital Markets/Trading
Bret Corrigan	Director	U.S.	Trading
Mark Bernstein	Senior Legal Counsel	U.S.	Dedicated On-Desk Deal Attorney
Brian Shearer	Head of Europe	Europe	Gaming, Lodging, Leisure, Media & Entertainment
Brian Woo	Managing Director	Europe	Autos, Industrials, Real Estate, Financials
Nicola Mueller	Director	Europe	Consumer, Retail, Travel, Gaming, Technology

Alan Sharkey	Managing Director	Europe	Capital Markets/Trading
Alexandra Caddy	Legal Counsel	Europe	Dedicated On-Desk Deal Attorney

Figure 5 details several of the strategy's key investment team members (all listed in the Fund's Key Person Provision). The "Key Executives" consist of Jon Winkelried, Jack Weingart, Adam Schwartz, and Ryan Mollett. The "Key Persons" who can replace the "Key Executives" if they cannot perform the "Required Effort" are Jacob Gladstone, Joseph Lenz, and Brendan McCaffrey.

Figure 5: Team Members Named in "Key Executive" and "Key Person"

Name	Title	Joined Firm	Years in Industry	Primary Role
Jon Winkelried	Partner, Chair Board of Directors & Executive Committee TPG	2015	40	CEO of TPG
Jack Weingart	Partner, Member Board of Directors & Executive Committee TPG	2006	35	CFO of TPG
Adam Schwartz	Co-Managing Partner TPG AG	2000	26	Head of Global Real Estate
Ryan Mollett	Global Head of Credit Solutions	2019	21	Portfolio Manager of Credit Solutions
Jack Gladstone	Managing Director	2020	14	Co-Head of Research Credit Solutions
Joseph Lenz	Managing Director	2012	14	Co-Head of Research Credit Solutions
Brian Shearer	Managing Director	2019	15	Head of Europe Credit Solutions
Brendan McCaffrey	Managing Director	2018	16	Head of Capital Markets & Trading Credit Solutions

STAFF TURNOVER

Since the inception of the CSF team in 2019, the strategy has seen five director-level and above individuals depart the Firm, as seen in Figure 6. That equates to 1 departure per year for 5 years for a team of 27, which could be considered high due to the strategy being incepted in 2019. However, Mr. Mollett indicated that he was given full authority to build the team he thinks can execute the CSF strategy most effectively. However, Figures 5 & 6 show that John O'Meara recently left the firm for a family office that is a customer of TPG AG; this leaves a vacancy in the Healthcare, Biotechnology, & Pharmaceutical sectors, which tends to be a significant allocation in opportunistic strategies and has been a large part of CSF's sector holdings historically. Additionally, Josh Baumgarten left the firm as of January 1st, 2025; TPG AG did not indicate why he was leaving the firm. Mr. Baumgarten was a senior member of TPG AG's executive team and, along with Adam Schwartz, led the integration between TPG and AG. Considering that Ryan Mollet has full discretion over building out his team and investment decisions, RVK will be monitoring turnover to determine if this approach retains employees or is detrimental to retaining employees; so far, it has created a significant amount of turnover.

Figure 6: TPG AG Senior Investment Professional Turnover

Name	Hire Date	Departure Date	Title	Reason for Departure
Josh Baumgarten	2016	2024	Co-Managing Partner	Voluntary
Joseph Goldschmid	2016	2019	*Director*	Voluntary
Praveen Pillai	2015	2019	Director	Involuntary
Benedict Gearing	2011	2021	Director	Involuntary
Bryce Fraser	2016	2023	Managing Director	Involuntary
Julien Farre	2012	2023	Managing Director	Involuntary
John O'Meara	2016	2024	Managing Director	Voluntary

Source: TPG AG & RVK. Represents all TPG AG's senior investment professionals at the Director level or above to depart TPG AG since 2019.

MARKET OVERVIEW

OVERALL EVALUATION	• Banks have pulled back from middle-market lending, creating a significant opportunity for private lenders. • Competition for deals has intensified due to increased capital inflows into private credit and the emergence of new entrants in the market. • Leverage levels increased steadily from 2010 to 2022; however, decreased in 2023 and 2024. • Increased default rates in the leveraged loan market could indicate a debt restructuring cycle that an opportunistic strategy could exploit.

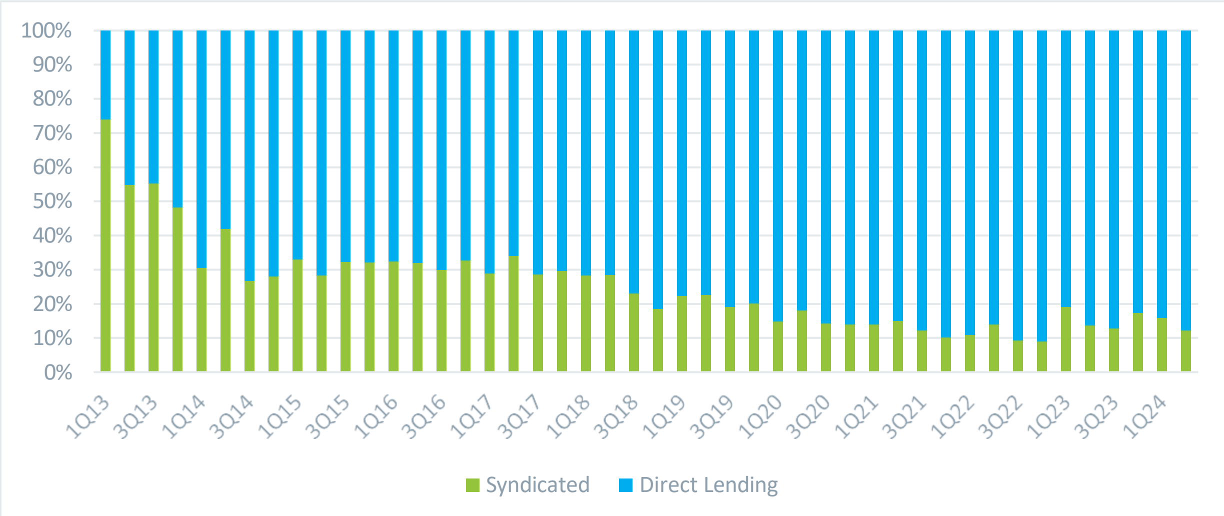
Given the extent of the rise in inflation and interest rates, as well as the levered state of most US corporate borrowers and the increase in covenant-lite issuances, it appears possible that a credit cycle may emerge, potentially even in the near term. Historically, during significant economic or financial stress, credit markets' inefficient and highly cyclical nature has offered institutional investors some of the most attractive risk-adjusted returns. However, this opportunity comes with high credit risks and low liquidity, which are inherent characteristics of credit cycles. We believe that a near-term credit cycle has the potential to significantly augment the returns of a diversified portfolio of credit assets and aid in reaching many investors' long-term return targets.

<u>Market Environment Backdrop</u>

The opportunity for opportunistic credit has evolved over the past few decades as banks have gradually reduced their willingness to originate and hold significant amounts of leveraged loans to middle-market companies. Furthermore, direct lenders have also created credit boxes. If a company does not fit within those loan parameters, then often those companies look to opportunistic strategies that have the flexibility to develop bespoke solutions.

The shift in bank behavior began in the 1990s and was driven by significant consolidation and increased regulation. Following the GFC, banks were further displaced as they faced new, punitive capital charges and regulatory barriers that inhibited middle-market lending. As a result of bank retrenchment, lenders in private markets, typically not subject to the same regulatory oversight as the traditional banking system, have stepped in to fill the financing gap for smaller businesses. The longer-term trend represents a secular shift that is unlikely to change as bank lenders' market share of middle market sponsor-backed deals has decreased dramatically from approximately 72% in the first quarter of 2013 to recent lows of around 11% in the second quarter of 2024, as illustrated in Figure 7. However, recently, we have seen the banks re-enter the broadly syndicated loan (BSL) market.

Figure 7: Lenders' Share of Broadly Syndicated Loans (BSL) and Core Middle Market Deals



Source: LSEG LPC, RVK. Data derived from private data submissions to LPC's private database from 1Q13 to 2Q24 representing sponsor-backed deals.

Competition and Leverage

The private credit landscape has evolved dramatically, and the market is more challenging than ever. Banks' balance sheets have improved as they have de-risked, increasing their available capital. With more substantial balance sheets and the possibility of deregulation under the new administration, banks may be better positioned to compete for loans and gain market share, especially if there is a wave of mergers and acquisitions in 2025.

The share of private credit in the expanding loan market is likely to face competition from the banking sector, which has made a strong comeback due to improved balance sheets, the expectation of modest changes to regulatory capital requirements, and the overall health of the broadly syndicated loan (BSL) market. RVK anticipates that this competition will continue to pressure loan spreads, potentially negatively impacting lenders who are overly aggressive in terms of leverage, credit agreement conditions, and pricing.

As competition increases in the BSL market, lender protections have diminished; as seen in Figure 8, covenant-lite issuances have increased in the last four quarters and will likely continue into 2025. However, in the core and lower-middle markets, we observe multiple loan protections in covenants and covenant maintenance, better yields, and lower leverage at the company level, as seen in Figure 9.

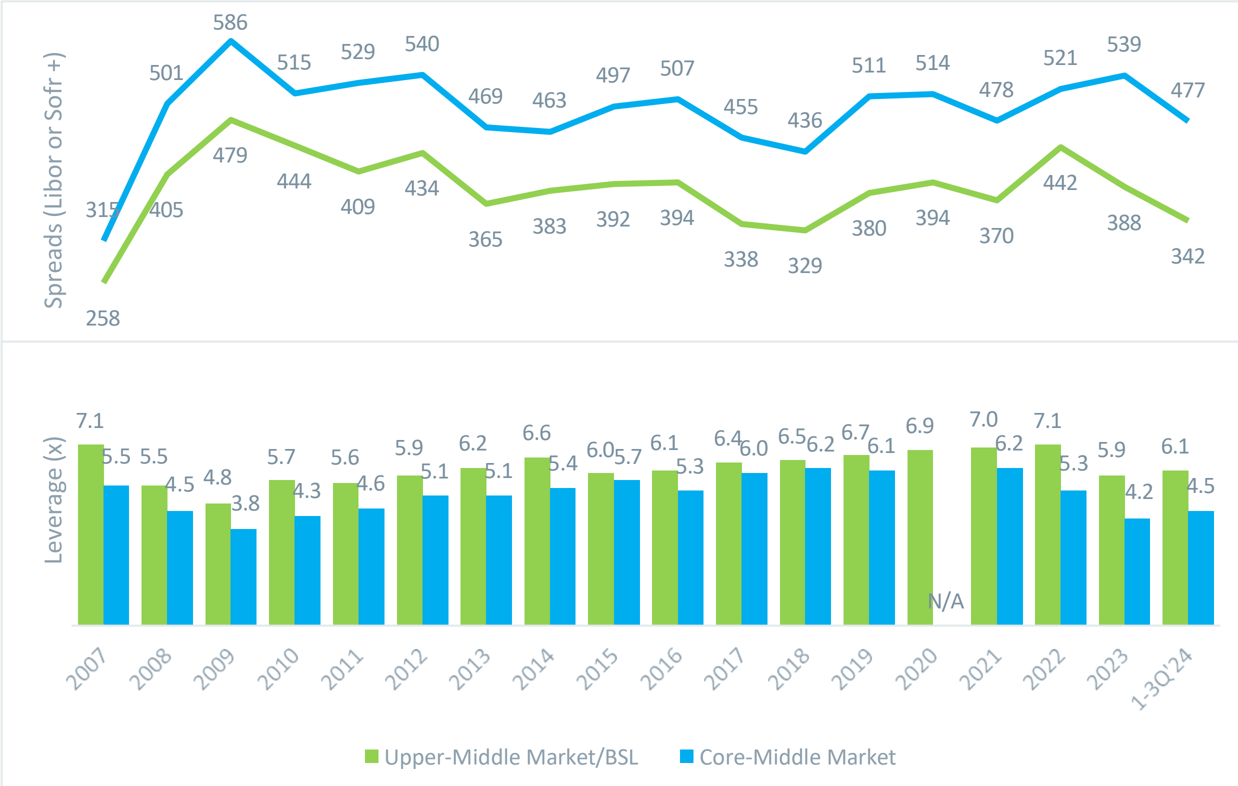
Figure 8: Covenant-lite unitranche volume (USD$bn): Large Corp. vs middle market

Source: LSEG LPC, RVK.

Figure 9 illustrates the BSL market's credit spreads and leverage compared to core middle-market companies. Since 2007, the core middle market has consistently had a 50-150 bps spread over the BSL market. In 2023-24, the spread was at the higher end of the range, averaging 143 bps. RVK anticipates that the spreads between the BSL and core-middle markets could continue to widen due to increased competition in the BSL market.

Leverage levels increased steadily from 2013-2022; although we did see a decrease in leverage in 2023 into 2024, we expect higher leverage levels to be observed over more extended periods. Total leverage levels, from a debt-to-EBITDA multiple including senior and junior debt, peaked at 7.1x in 2022 for the upper-middle market/BSL and 6.2x in 2021 for the core-middle market. The lows have been observed in 2023 at 5.9x for BSL and 4.2x for the core-middle market, as illustrated in Figure 8. We believe that select direct lenders with strong structuring expertise and demonstrated track records of successful transaction structuring and loss mitigation strategies will remain successful at delivering favorable investment outcomes for their clients.

Figure 9: Credit Spreads & Leverage of Upper Middle Market/BSL and Core Middle Market Loans

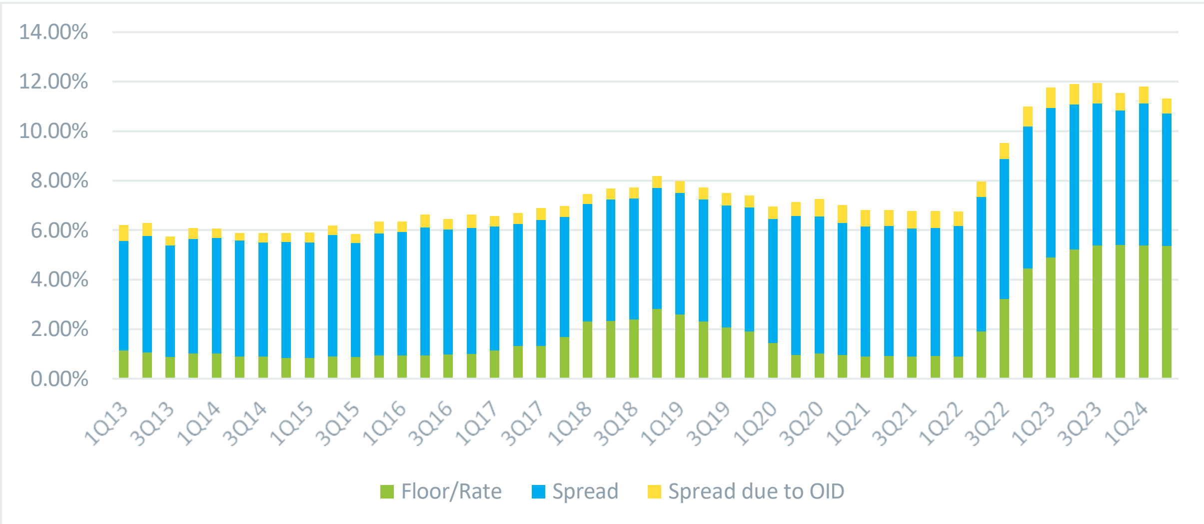


Source: LSEG LPC, RVK.

<u>Increase in Interest Rates has increased all-in-yields in the middle markets</u>

Yields have increased meaningfully in the middle market, reflecting a measure consistent with an improved risk-adjusted return profile for middle-market direct lending exposure. The most recent lows in yields were observed in the first quarter of 2022, at 6.75% compared to 11.32% as of the second quarter of 2024, shown in Figure 10. Increases in yields have not resulted solely from increases in the reference rate, such as SOFR (Floor/Rate) or base rate. Credit spreads and original issue discount (OID) have increased simultaneously compared to levels observed at recent multi-year lows in the first quarter of 2022. This yield increase has pressured borrowers' balance sheets and may restrict their ability to repay loans.

Figure 10: Average All-in Yields for Middle Market Borrower

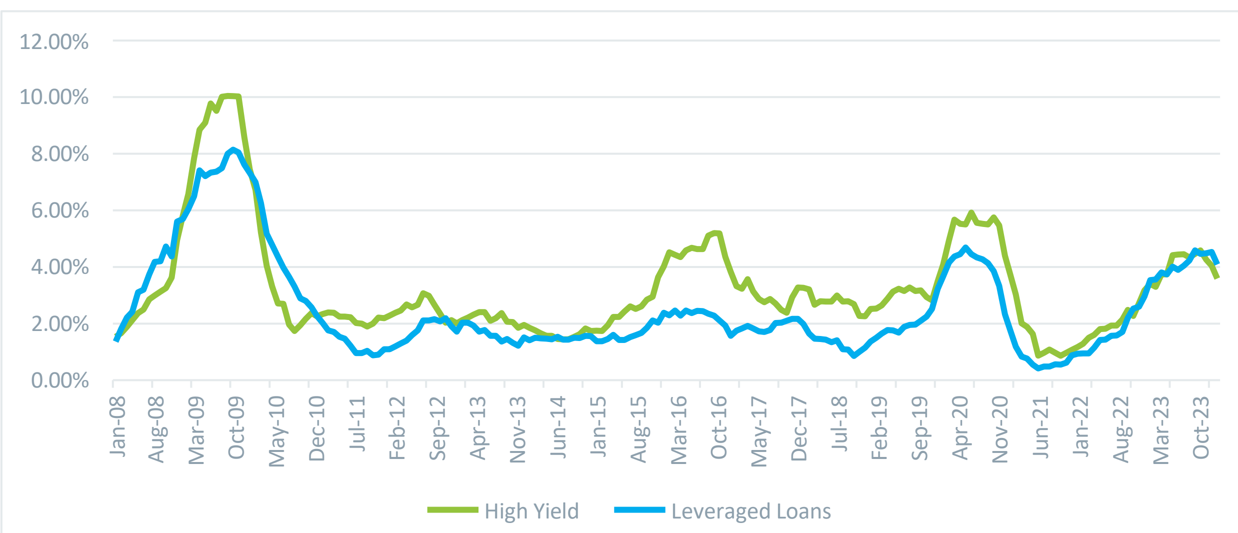


Source: LSEG LPC, RVK.

<u>Leveraged Loan Default Rates</u>

As yields have increased, so have default rates in the Leverage Loan market, as seen in Figure 11. The combination of leverage and higher yields has put more pressure on the leverage-loan market. The default rate for leveraged loans has crept above 4% in the 1st quarter of 2024 and has remained above 4% for the first time since Covid in 2020. While we do not believe that the default rate will reach 8%, as we saw in the GFC in 2009, it could stay above the 4% level for the foreseeable future. If the default rate remains at this level for an extended period, many borrowers may not need to go into a classic bankruptcy. Instead, they may be able to restructure the debt and avoid traditional bankruptcies.

Figure 11: U.S. Corporate Speculative-Grade Default Rates for High Yield and Leveraged Loans



Source: ICE of BAML. JP Morgan Research. As of June 30, 2024.

Restructuring and Secondary Opportunities

If we see the persistence of defaults within the leverage-loan market, strategies that can restructure debt, such as opportunistic, special situation, and stressed/distressed, could benefit. Many of these opportunities are first identified in the secondary markets where many companies trade. Public and private capabilities are crucial in identifying, monitoring, conducting diligence, and executing default cycle opportunities. These companies will need creative capital solutions for which opportunistic strategies are designed.

We expect opportunistic strategies like TPG AG Credit Solutions Fund III to exploit the current opportunity. However, not all companies have balance sheets or a clear path to profitability and cannot be restructured. We would expect Kennedy Lewis to avoid borrowers who are considered falling knives. In the first quarter of 2024, we have seen some of the largest defaults and restructurings in history in the private debt markets. With the flood of new entrants over the last several years into private credit and the lack of structural protections on the loans, this credit default cycle could persist for the near future.

INVESTMENT STRATEGY

OVERALL EVALUATION	• The Credit Solutions approach is intended to be "all-weather" and can be executed in any market environment. Investors do not have to wait for defaults or try to time the cycle because the CSF team creates its catalysts, drives privately negotiated outcomes, and has the flexibility to pivot and capitalize on public market opportunities in periods of heightened volatility or stress. • The Fund employs a sector specialist strategy that allows the team to track more companies within their particular sector coverage.

TPG AG has a differentiated, solutions-based approach to investing in stressed and special situation opportunities. The philosophy is to maximize returns without taking excessive risk, seeking to provide equity-like upside returns with downside risk protection through credit instruments, an attractive current yield, and low correlation and volatility in both the equity and debt markets.

The Credit Solutions approach is intended to be "all-weather" and can be executed in any market environment, with the goal that investors do not have to wait for defaults or try to time the cycle. The CSF team attempts to create its catalysts, for example, by driving privately negotiated outcomes and has designed the process to emphasize flexibility to pivot and capitalize on public market opportunities in periods of heightened volatility or stress. In periods of tight credit spreads and benign corporate default rates, the CSF team expects the Fund to be more weighted toward public and privately sourced situations in which the team designs a customized financing solution to help a company address an idiosyncratic or issuer-specific situation. We expect the Fund to be opportunistically prepared to capitalize on episodic sector and market cycles, such that during more broad-based dislocations and market volatility, CSF can strategically rotate exposure and expect to deploy capital more actively in public credit securities.

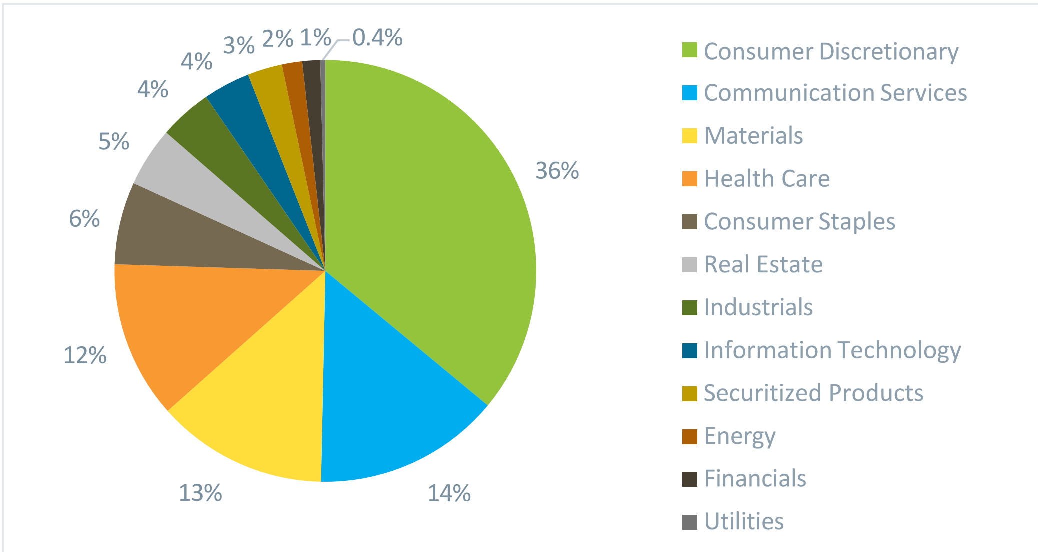
CSF is focused on aligning with companies, sponsors, and owners, using intellectual creativity, structuring experience, and a sizeable, flexible capital base to create bespoke financing solutions for companies and strategically drive investment outcomes. The strategy is not cyclical; CSF seeks to keep companies from defaulting or entering bankruptcy. The larger the position size, the more the Firm can control the outcome and help the company, which could lead to a higher probability of success.

In executing this strategy, the Firm looks to creatively resolve unique situations pressuring a business, such as a near-term debt maturity, a working capital liquidity constraint, or a balance sheet issue. The team seeks to invest in companies or situations experiencing complex financial, operational, or similar challenges. Key to this is being proactive, not reactive, in identifying eccentric, situational opportunities and leveraging structuring skill and capital base to develop a creative, bespoke financing solution to benefit a company and its owners and do so in a bilaterally negotiated, privately structured context. By conducting analysis well ahead of an issue, as opposed to waiting for an event (e.g., a default cycle) to begin analyzing a company, the CSF team can better align interests, resulting in a constructive outcome that often helps avoid default or bankruptcy filing.

PORTFOLIO EXPOSURE

The following section analyzes CSF I, II, & IIA's track record as of 3/31/2024, which includes over 100 investments since inception, to ensure that the portfolio's exposure aligns with our expectations. This data does not include investments in CSF IA & IB due to the short investment period and data ending as of the third quarter of 2021.

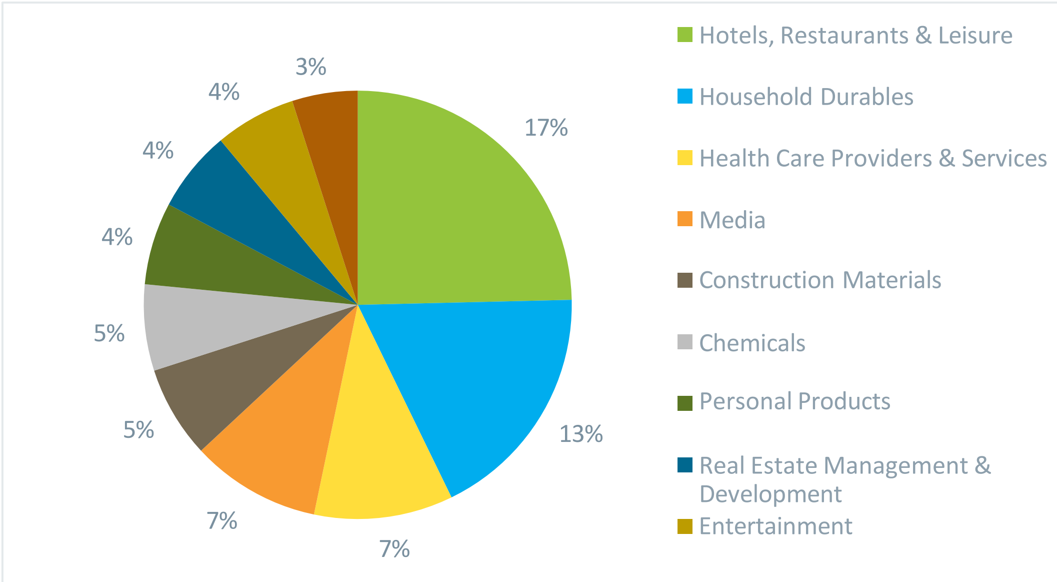
Figure 12: CFS Invested Capital by Sectors



Source: TPG AG & RVK

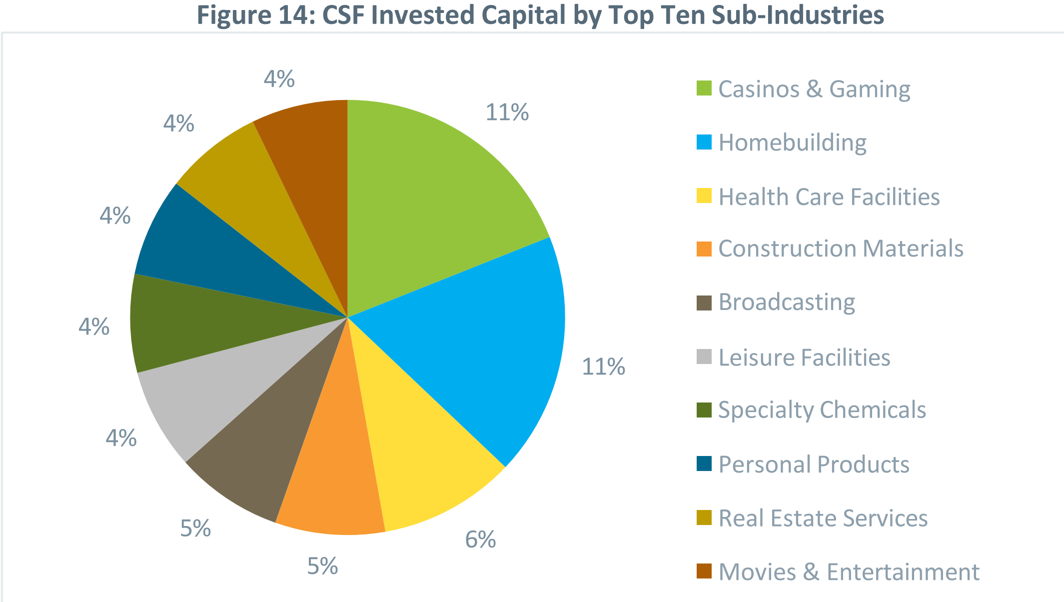
Figure 12 represents CSF's investments across sectors. The sector diversity adds to the differentiated portfolio profile and reduces exposure to typical direct lending strategies. The top sector holdings in many direct lending strategies are Technology and Healthcare, while Consumer Discretionary investments are less prevalent. Consumer Discretionary makes up 35% of CSF's portfolio and is notable in the CSF fund series. It has been the largest sector within the portfolio and provides sector diversification within a private credit portfolio.

Figure 13: CSF Invested Capital by Top Ten Industries



Source: TPG AG & RVK.

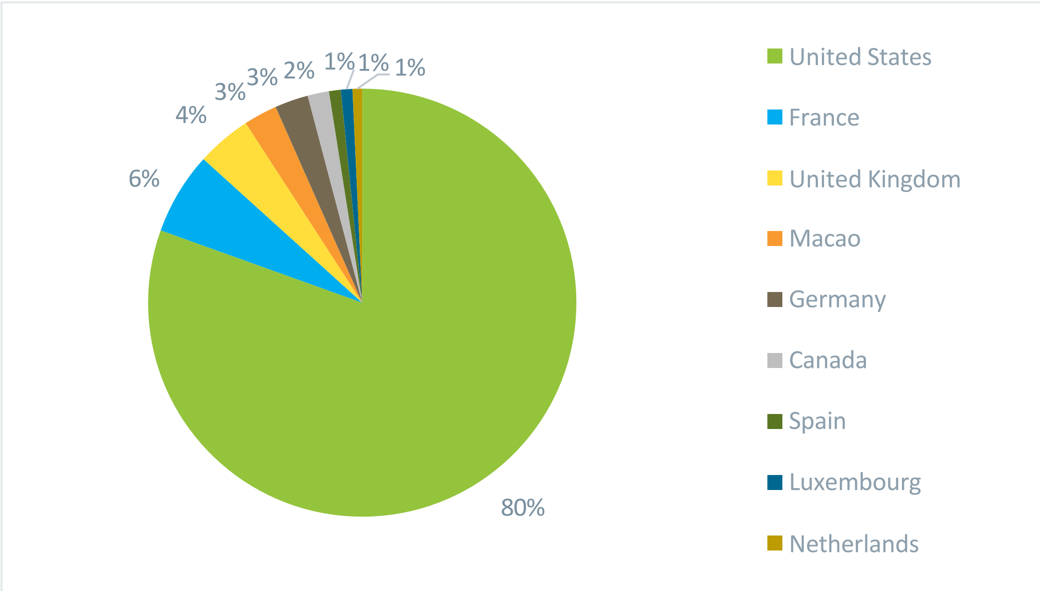
Figure 14: CSF Invested Capital by Top Ten Sub-Industries



Source: TPG AG & RVK

CSF is not only diversified across sectors but also across industries and sub-industries. Figures 13 & 14 represent CSF's investments across the top ten industries and sub-industries. One sub-industry that stands out and drives larger allocations in consumer discretionary and household durables is homebuilding. This is a differentiator compared to peer's special situations strategies. Homebuilding has made up 11% of the CSF fund series and is accessed through TPG AG Essential Housing Fund, which Ryan Mollett and Bryan Rush manage. The Essential Housing Fund is designed to help homebuilders solve the problem of holding large amounts of land on their public balance sheets. Once the builders have identified a piece of land they want to develop, the TPG AG Essential Housing Fund lends to the builder. Collateral is 20% down, which has a nonrecourse if the builder walks away from the land and TPG AG owns the land.

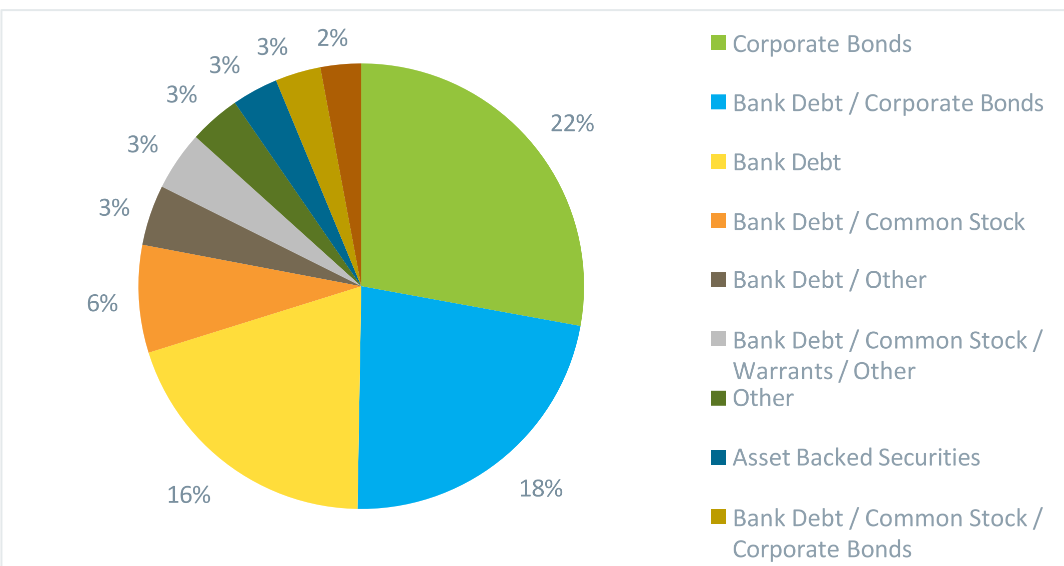
Figure 15: CSF Invested Capital by Geography



Source: TPG AG & RVK

As mentioned before, roughly 70% of investments are expected to be in companies in North America, with most other investments being in Europe, with a 5-person team in London. Most investments have been historically concentrated in the United States, as shown in Figure 15. Brian Shearer joined the CSF team in 2019 and was named Head of CSF Europe, opening the doors to the London office to establish a presence for the CSF group.

Figure 16: CSF Invested Capital Top Ten Security Type



Source: TPG AG & RVK

As shown in Figure 16, CSF will make bespoke investments and use various financial instruments to structure a deal uniquely to ensure a successful outcome for the portfolio company and CSF. The Fund's ability to invest in the private and public markets gives it a more extensive set of tools than a typical direct lender that primarily originates private deals exclusively.

INVESTMENT PROCESS

OVERALL EVALUATION	• Ryan Mollett has sole discretion over investment decisions within CSF III. • This will allow the Fund to adapt quickly to changing market conditions and the secondary market. However, a formal Investment Committee should be formed with named individuals in RVK's view.

The Fund has instituted a robust, iterative, and highly documented process to ensure every investment decision's rigor, discipline, and integrity. This process is structured through the CSF's investment team meetings, which are held three times each week in a single, uniform format and attended by all members of both the New York and London offices. This meeting is a forum for introducing potential investment ideas, soliciting preliminary feedback, defining guidelines of key diligence areas, and deliberating investment theses in an open construct before any formal investment decision. The input of every member of the Credit Solutions team, including the most junior professional, is encouraged and considered in endeavoring to make the most informed decision concerning both existing and contemplated investments.

These meetings regularly include senior management and investment professionals of TPG AG, portfolio managers, and key personnel in several of the Firm's other investment strategies, such as performing loans, structured credit, and real estate. The cross-discipline collaboration creates a richer dialogue, allows for perspective and insight from a broader group of experienced investment professionals, and ensures that the team identifies and capitalizes on all informational advantages across the entire Firm.

Each potential investment is presented at investment meetings through a detailed, often 50 to 75+ page memorandum that typically covers areas such as the investment thesis, recommended investment or transaction, risks and mitigants, upside/downside scenario analyses, all related business and financial diligence, extensive business valuation modeling, credit document review and analysis, legal review and due diligence, and other underwriting analysis. This utilizes the experience, knowledge, and input/feedback of all investment professionals, as well as the detailed investment team memos, to help inform investment decisions.

TPG AG believes that implementing a sector and industry-focused strategy allows the team members to cover more companies than a generalist model. Mr. Mollett has designed the team purposely this way so that the CSF strategy can build what they call the "spider web" of investment memos. The thesis is that if you get a call from a company you have been following for years and understand its capital needs, the CSF team can "act quickly and aggressively."

The Fund has a comprehensive investment monitoring process that involves several functional teams and a structured forum for review, evaluation, and deliberation. There are multiple regularly scheduled/standing meetings, often weekly, involving members of the investment, risk, treasury, accounting, legal, compliance, operations, valuation, and other groups to review the investment pipeline, work-in-process, investment activity, position-by-position updates, portfolio risk, liquidity, valuation, cash management, and other fund-related matters. In addition, comprehensive risk and financial reports are circulated daily. Further, AG's independent risk team performs daily, weekly, monthly, quarterly, and annual analyses on each position and the portfolio as a whole. The stress tests, exposures, and valuations are provided to the Portfolio Manager and analysts, so each investment decision is made fully educated and incorporates a broad portfolio perspective.

Sourcing:

The Credit Solutions group and TPG Angelo Gordon broadly maintain strong relationships with a diverse range of financial sponsors. Given the nature of the Credit Solutions strategy, they are active in working in partnership with companies and their private equity owners to help resolve complex situations with creative financing solutions. Financial sponsor business owners typically have a defined ownership/holding period, complex, multi-tranche capital structures, and a penchant for accommodating, flexible credit documents, the combination of which offers a large and robust universe of potential "Credit Solutions" investment opportunities.

As such, TPG AG emphasizes the development of active networks within the broadly defined private equity community. However, the Fund is not focused on working as a service provider to sponsors and their portfolio companies in the same manner that a direct lender or regular-way debt provider would seek to establish a recurring financing relationship. Further, the CSF team does not rely on private equity firms for the majority of deal flow. The CSF team's sourcing network is also active across public corporations and non-private equity-owned privately held businesses.

Due Diligence:

The CSF team has an extensive and rigorous underwriting process for each prospective investment, which includes comprehensive, private equity-style due diligence on a company, its business model, market, and competitive positioning. This process has a particular focus on the company's capital structure and related credit documents, which are critical to understanding the issue a company may be facing and the range of potential alternatives that may or may not be available per the credit agreement. Work is compiled in an Investment Committee memorandum, typically 50 to 75+ pages in length, that details, in addition to the areas above, the investment thesis, recommended investment or transaction, risks and mitigants, upside and downside scenario analyses, all related business and financial diligence, extensive valuation modeling, credit document review, legal review, and other underwriting analysis. Investment opportunities are presented and discussed in Investment Committee meetings, which are typically held three times each week, and considered over an iterative process. Frequent meetings create a series of forums for market updates, single name highlights, and related updates to ensure information is current and positions are being discussed, vetted, evaluated, and re-underwritten frequently in the normal course, in addition to a formalized quarterly portfolio review exercise.

Typically, multiple sources of collateral will be directly and indirectly pledged to or otherwise available to securities owned by the Fund. In underwriting potential investments, extensive diligence and analyses are performed to determine an estimated enterprise value for the target business, the seniority and claim each security may have, the cash flow generation available to pay down debt, the liquidation value of tangible and intangible assets, and various other exercises that help to define protection and recovery in a downside scenario. Another important component of assessing the collateral status of any security is a comprehensive legal review of each underlying credit document which the Fund's dedicated legal experts perform.

Investment Committee Review:

Ryan Mollett is the sole decision-maker for the Fund.

Portfolio Monitoring

The Fund has a comprehensive investment monitoring process that involves several functional teams and a structured forum for review, evaluation, and deliberation. Multiple regularly scheduled/standing meetings, often weekly, involve members of the investment, risk, treasury, accounting, legal, compliance, operations, valuation, and other groups to review the investment pipeline, work-in-process, investment activity, position-by-position updates, portfolio risk, liquidity, valuation, cash management, and other fund-related matters. In addition, comprehensive risk and financial reports are circulated daily.

Risk Management:

AG's independent risk team performs daily, weekly, monthly, quarterly, and annual analyses on each position and the portfolio as a whole. The stress tests, exposures, and valuations are provided to the Portfolio Manager and analysts, so each investment decision is made fully educated and incorporates a broad portfolio perspective.

Recovery and Work-out Process:

The same individuals are on the life of a deal. The CSF team expects to use a proactive approach to underperforming portfolio investments by engaging early with borrowers and other lenders to arrive at a solution designed to maximize the value of the investment and preserve enterprise value. The CSF team was clear this is not a loan-to-own strategy, but they will if they have to take over the keys. Most of the team members have extensive experience in stressed/distressed assets and have done workouts before. Additionally, the CSF team has a Senior Legal Counsel, Mark Bernstein that sits on the CSF desk. According to multiple members of the CSF team, having Mr. Bernstein on the desk is an invaluable resource and allows the team to focus on deals, and Mr. Bernstein can focus on the documentation.

Performance and Track-Record Analysis

Overall Evaluation	• TPG AG CSF I & II have performed within RVK's expectations for a special situations strategy. CSF IA &IB have concentrated portfolios not representative of the broader CSF I & II investment strategy. • Realized investments have done well, with a 28.6% Net IRR. • The Loss Ratio is elevated at 3.2% for a special situation's strategy; however, of the realized investments, the fund series has a 2.6% loss ratio.

The following section reviews the CSF strategy performance and the track record of its underlying portfolio investments. RVK has calculated net fund-level and gross investment-level performance with cash flows provided by the manager. All data within this section for CSF I, II, and IIA is as of 3/31/2024. Due to the short investment period for CSF IA & IB, that data is as of 3/31/2021.

Figure 16: Fund Series Summary

Fund	Vintage	Commits ($M)	Invested Capital ($M)	Realized	Unrealized	Total Value	Net IRR	Net Multiple
CSF I	2019	$1,805	$5,229	$5,171	$1,024	$6,195	12.8%	1.4x
CSF IA	2020	$909	$1,181	$1,339	$49	$1,388	26.7%	1.3x
CSF IB	2020	$308	$306	$331	$15	$346	21.2%	1.2x
CSF II	2021	$3,133	$4,344	$2,182	$2,710	$4,893	11.5%	1.1x
CSF IIA	2022	$1,310	$1,550	$978	$774	$1,752	20.2%	1.2x

RVK has calculated performance data using the cash flows provided by TPG AG. CSF IA & IB are as of 3/31/2021. CSF I, II, & IIA are as of 3/31/2024

CSF I & II, as shown in Figure 16, have performed well and within our expectations, with a more realistic return profile than we would expect for CSF III. However, CSF IA, IB, and IIA have performed considerably better but should not be used to evaluate expected returns for CSF III. CSF IA and IB have concentrated portfolios not representative of the broader CSF I & II investment strategy.

Figure 17: Fund Series Net Cash Flows

Fund	Vintage Year	No. of Investments	Paid In ($M)	Distributed ($M)	Unrealized ($M)	Total Value ($M)
CSF I	2019	101	$1,726	$1,370	$1,136	$2,506
CSF IA	2020	44	$592	$745	$48	$793
CSF IB	2020	35	$175	$203	$15	$218
CSF II	2021	66	$2,522	$0	$2,696	$2,696
CSF IIA	2022	43	$852	$0	$1,111	$1,111
Total		**289**	**$5,867**	**$2,318**	**$5,006**	**$7,324**

Cash flows are provided by the TPG AG. RVK has calculated performance data with cash flows provided by TPG AG. CSF IA & IB are as of 9/30/2021. CSF I, II, & IIA are as of 3/31/2024

Peer Comparison

RVK has looked at multiple opportunistic strategies recently due to the opportunity set within the private credit market. Figure 18 compares peers that are currently in the market with similarly sized investment teams and commitment sizes. As mentioned, some peers with opportunistic strategies invest in debt and equity. RVK tried to identify funds that primarily invest in debt with equity as a by-product of the debt:

- Kennedy Lewis Capital Partners Fund IV focuses on various distinct competitive advantages, including vertical/industry expertise within less traveled parts of the private debt market, a rigorous underwriting process, and a focused sourcing channel bolstered by Kennedy Lewis' investment team and deep industry expertise.

- Marathon Asset Management focuses on stressed/distressed and dislocated credits in addition to providing capital solutions to corporate borrowers.

- TPG AG Credit Solutions Fund III is intended to be "all-weather" and can be executed in any market environment, with the goal that investors do not have to wait for defaults or try to time the cycle.

- BlackRock Global Credit Opportunities Fund III is an all-weather strategy seeking to capture attractive situations in opportunistic credit by constructing a concentrated portfolio of performing, stressed, and/or distressed assets throughout the credit cycle.

Figure 18: Peer Fund Comparison

Peer Comparison (data as of latest available)				
Firms	TPG Angelo Gordon	Marathon Asset Management	Kennedy Lewis Capital Partners	BlackRock
Year Established	1988 (AG), 1992 (TPG)	1998	2017	1988
Headquarters	New York, NY	New York, NY	Miami, FL	New York, NY
Investment Profs	220	90	38	22
Fund Names	TPG AG Credit Solutions Fund III	Marathon Dislocated Credit Fund II	Kennedy Lewis Capital Partners Fund IV	BlackRock Global Credit Opportunities Fund III
Investment Objective	It is intended to be "all-weather" and can be executed in any market environment, so investors do not have to wait for defaults or try to time the cycle.	Focused on generating attractive risk-adjusted returns in distressed and dislocated credit markets by providing capital solutions to corporate borrowers in a variety of complex solutions.	It targets a non-sponsored lending strategy that requires fundamental bottoms-up independent credit research, sector expertise, and creative loan structuring.	An all-weather strategy seeking to capture attractive situations in opportunistic credit by constructing a concentrated portfolio of performing, stressed, and/or distressed assets throughout the credit cycle.
Target Return	14% Net IRR	15-20% Net IRR, 1.5-2.0x Net MOIC	12%-14% Net IRR, 1.5x-2.0x Net MOIC	12-14% Net IRR
Commitments	Targeting $4.5 Billion	Targeting $3 Billion	Targeting $4 Billion	Targeting $3 Billion

Fee & Carry	1.55% >=$50M-$99M	1.00% >=$100M	1% on committed, 1% on invested	1.25%
	20% carried interest 8% preferred return	20% carried interest 8% preferred return	15% carried interest 7% preferred return	20% carried interest 8% preferred return
Geography	North America & Europe	North America & Europe	North America & Europe	Global
Investment Type	Private & Public	Private & Public	Private & Public	Private & Public
Sectors	Real Estate, Consumer Dis., Telecom, Materials, Healthcare	Auto, Healthcare, Hospitality, Housing, Industrials, Travel	Real Estate, Industrials, Utilities, Energy, ABS	Metals & Mining, Consumer Services, Telecom
Last CF Fund Size	$3,133M	$3,233M	$3,600M	$1,464M
Fundraise Status	Open	Open/Closing Soon	Open	Open

Performance by Fund [Fund No. (Vintage Year) Commitments – Net IRR, Net MOIC]				
Prior Fund	Fund I (2019) $1.8B – 12.8%, 1.4x	Drawdown Fund I (2009) $400M – 16.3%, 1.9x	Fund I (2017) $516M – 13.6%, 1.6x	
Prior Fund	Fund II (2021) $3.1B – 11.5%, 1.1x	Fund I (2020) $1.8B – 12.5%, 1.5x	Fund II (2020) $2B – 11.5%, 1.4x	Fund I (2018) $1.2M – 6.9%, 1.2x
Most Recent Fund	Fund IIA (2022) $1.3B - 16.4%, 1.2x	Fund II (2024) $1.5B – 16%, 1.8x	Fund III (2021) $3.6B – 12.5%, 1.2x	Fund II (2022) $1.5B– 11.9%, 1.1x

ATTRIBUTION ANALYSIS

The following section analyzes the position-level gross performance of CSF's underlying investments broken out by various attribution characteristics. Our analysis focuses on the gross multiple (TVPI or Total Value to Paid-in Capital), as we believe this performance metric is an overall superior indication of long-term wealth generation. All data within this section for CSF I, II, and IIA is as of 3/31/2024. Due to the short investment period for CSF IA & IB, that data is as of 9/30/2021 and was excluded.

As illustrated in Figure 19, 46% of CSF's track record has already been realized, allowing for a robust evaluation of what this strategy series has already achieved, a Net Realized IRR of 28.6%, which is strong. Unrealized invested capital makes up 54%, with a Net Unrealized IRR of 11.0%. For a strategy like CSF's, this is common due to the nature of the assets being purchased at a discount from par and having a pull-to-par component to them.

Figure 19: Attribution – Attribution – Realized/Unrealized

Realized/ Unrealized	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples	Net IRR	Net Multiples
Realized	138	$5,074	46%	$5,827	35.6%	1.1x	28.6%	1.1x
Unrealized	72	$6,049	54%	$7,012	17.0%	1.2x	11.0%	1.1x

Source: TPG AG & RVK

The CSF team has deployed capital across a wide range of deal sizes and shows the ability to speak for size at $200+ million and be more agile in investing in deals from $1 million to $10 million, as seen in Figure 16. The team indicated that being able to move "quickly and aggressively" can only be done at scale because the CSF team likes to control the deal as a sole or lead lender.

Figure 20: Attribution – Vintage Year

Years	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
2019	9	$782	7%	$930	7.8%	1.1x
2020	52	$2,968	27%	$3,611	39.5%	1.2x
2021	16	$1,494	13%	$1,643	0.5%	1.2x
2022	109	$4,143	37%	$4,658	25.2%	1.1x
2023	22	$1,668	15%	$1,927	53.4%	1.2x
2024	2	$69	1%	$70	25.6%	1.0x

Source: TPG AG & RVK

The CSF team has deployed capital across all deal sizes and shows its ability to speak for size at $200+ million and be more agile in investing in deals from $1 million to $10 million, as seen in Figure 21. The team indicated that being able to move "quickly and aggressively" can only be done at scale because the CSF team likes to control the deal as a sole or lead lender.

Figure 21: Attribution – Investment Size

Size	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
$0-$10M	50	$207	2%	$223	38.4%	1.1x
$10M-$25M	42	$729	7%	$895	38.6%	1.2x
$25M-$50M	40	$1,480	13%	$1,711	28.7%	1.2x
$50M-$100M	42	$3,037	27%	$3,648	22.9%	1.2x
$100M-$200M	27	$3,657	33%	$4,129	12.7%	1.1x
$200M+	9	$2,013	18%	$2,232	14.9%	1.1x

Source: TPG AG & RVK

As mentioned before, the majority of assets for the CSF series have been invested in the United States, where the team has done well with an average gross IRR of 31.7%. A country of note is France, where CSF has underperformed with a -6.0% gross IRR due to 3 deals that have dragged down performance. Countries with more jurisdictional risk will have to be monitored to ensure that the CSF portfolio is not exposed to risks outside the company's risk.

Figure 22: Attribution – Country & Region

Country	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
United States	165	$8,952	80%	$10,378	31.7%	1.2x
France	8	$692	6%	$565	-6.0%	0.9x
United Kingdom	11	$460	4%	$570	29.7%	1.2x
Macao	3	$281	3%	$334	21.0%	1.2x
Germany	9	$281	3%	$331	19.2%	1.2x
Canada	5	$180	2%	$367	39.8%	1.6x
Spain	1	$99	1%	$112	10.3%	1.1x
Luxembourg	2	$97	1%	$86	-7.7%	0.9x
Netherlands	6	$81	1%	$97	24.0%	1.2x

Source: TPG AG & RVK

As mentioned before, CSF uses a range of financial instruments to structure bespoke deals that benefit the portfolio company and CSF. CSF invests in private and public securities, including common stock and other instruments that you typically will not see in a direct lending strategy. This could be considered a potential diversifier for a private credit portfolio.

Figure 23: Attribution – Deals by Top Ten Security Type

Top Ten Deals by Security Type	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
Corporate Bonds	84	$2,457	22%	$2,803	34.0%	1.1x
Bank Debt / Corporate Bonds	27	$1,976	18%	$2,071	13.3%	1.1x
Bank Debt	45	$1,756	16%	$2,050	32.6%	1.2x
Bank Debt / Common Stock	9	$689	6%	$737	7.5%	1.1x
Bank Debt / Other	3	$387	3%	$470	35.2%	1.3x
Bank Debt / Common Stock / Warrants / Other	3	$380	3%	$468	17.6%	1.2x
Other	3	$328	3%	$401	15.0%	1.2x
Asset-Backed Securities	5	$296	3%	$415	16.8%	1.3x
Bank Debt / Common Stock / Corporate Bonds	2	$291	3%	$315	19.4%	1.1x
Bank Debt / Warrants	3	$260	2%	$299	27.6%	1.1x

Source: TPG AG & RVK

CSF historically has a diverse portfolio by sector. CSF's top Industry holding is Consumer Discretionary, which many other peers tend to avoid due to the cyclical nature of the asset within the sector. However, where others have faltered in the consumer discretionary assets, CSF has not just a positive gross IRR, but 36.0%, which is impressive. The consumer discretionary sector takes a high level of expertise when underwriting the type of assets, and the TPG AG CSF team has demonstrated the ability to invest successfully in tough parts of the markets historically.

Figure 24: Attribution – Sector

Sector	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
Consumer Discretionary	90	$4,005	36%	$4,682	36.0%	1.2x
Communication Services	24	$1,593	14%	$1,495	-2.4%	1.0x
Materials	24	$1,458	13%	$1,765	25.0%	1.2x
Health Care	24	$1,341	12%	$1,547	27.8%	1.2x
Consumer Staples	8	$704	6%	$784	12.8%	1.2x
Real Estate	5	$507	5%	$479	17.1%	1.0x
Industrials	9	$450	4%	$698	32.4%	1.5x

Information Technology	14	$400	4%	$456	68.4%	1.1x
Securitized Products	5	$296	3%	$415	16.8%	1.3x
Energy	1	$172	2%	$308	29.0%	1.8x
Financials	5	$152	1%	$167	8.4%	1.0x
Utilities	1	$44	0.4%	$44	15.2%	1.0x

Source: TPG AG & RVK

The CSF investment team is comprised of sector-focused individuals rather than a generalist, which seems to help identify deals within the less competitive sectors and industries. As you can see in Figure 25, Hotels, Restaurants, & Leisure, and Household Durable Goods make up 30% of the portfolio. Ryan and the team have been involved with the very public Caesars Entertainment restructuring and participate in many of the other large deals in the Leisure industry. While we have seen peers in some of the same deals within Leisure, CSF has industry expertise within Household Durable Goods, which we tend not to see in peers' portfolios.

Figure 25: Attribution – Top Ten Industries

Top Ten Industries	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
Hotel, Restaurants & Leisure	32	$1,917	17%	$2,204	37.0%	1.2x
Household Durable Goods	37	$1,413	13%	$1,713	43.6%	1.2x
Health Care Providers & Services	12	$817	7%	$977	33.4%	1.2x
Media	12	$762	7%	$712	-3.5%	1.0x
Construction Materials	6	$541	5%	$662	19.4%	1.2x
Chemicals	12	$507	5%	$587	27.9%	1.2x
Personal Products	4	$484	4%	$591	14.2%	1.2x
Real Estate Management & Development	4	$480	4%	$450	6.8%	1.0x
Entertainment	3	$475	4%	$423	-3.3%	1.0x
Pharmaceuticals	6	$386	3%	$404	24.3%	1.1x

Source: TPG AG & RVK

The CSF team also breaks down industries into Sub-Industries. Casinos and gambling have done well, with a 39.9% gross IRR. Homebuilding has achieved a 46.3% gross IRR since 2019. As mentioned before, CSF III's exposure from Homebuilding will be accessed through the TPG AG Essential Housing Fund that both Ryan Mollett and Byran Rush manage.

Figure 26: Attribution – Top Ten Sub-Industries

Top Ten Sub-Industries	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
Casinos & Gaming	18	$1,255	11%	$1,429	39.9%	1.1x
Homebuilding	32	$1,198	11%	$1,490	46.3%	1.2x
Health Care Facilities	8	$671	6%	$799	40.4%	1.2x
Construction Materials	6	$541	5%	$662	19.4%	1.2x
Broadcasting	5	$528	5%	$468	-11.0%	1.1x
Leisure Facilities	7	$495	4%	$550	27.9%	1.1x
Specialty Chemicals	9	$485	4%	$562	27.3%	1.2x
Personal Products	4	$484	4%	$591	14.2%	1.2x
Real Estate Services	4	$480	4%	$450	6.8%	1.0x
Movies & Entertainment	3	$475	4%	$423	-3.3%	1.0x

Source: TPG AG & RVK

Sensitivity Analysis

RVK performed a sensitivity analysis on CSF's track record to determine the strategy's consistency of return and the relative impact of the most meaningful portfolio investments. In other words, to what degree did the best and worst-performing investments change the results of the strategy's long-term performance.

Our analysis suggests that the strategy track record has experienced only slight-to-moderate sensitivity to its best-performing investments. Removing the top performers from CSF's investing history yields minimum gross multiples of at least 1.15x. With no exclusion, it is 1.16x, as seen in Figure 27. This lack of upside sensitivity indicates that the strategy performance does not hinge on a handful of "star performers." Further, CSF experiences low sensitivity when removing its lowest-performing investments. Subtracting the bottom investments from the portfolio adjusts the gross multiples upward by only 0.01x to 0.03x, as seen in Figure 28. This minimal downside sensitivity indicates that TPG AG CSF has avoided significant losses that would otherwise drag strategy performance. Overall, we are encouraged by CSF's low sensitivity levels, believe that its downside protections have historically been adequate, and expect its multifaceted investment approach will continue to generate stable returns.

Figure 27: Sensitivity Analysis

Performance Excluding	Count	Avg Gross TVPI	Avg Gross IRR
No Exclusions	210	1.16x	28.9%
Excluding 3 Highest	207	1.15x	25.1%
Excluding 5 Highest	205	1.15x	23.7%
Excluding 10 Highest	200	1.15x	21.5%
Excluding 3 Lowest	207	1.16x	30.5%
Excluding 5 Lowest	205	1.17x	31.2%
Excluding 10 Lowest	200	1.19x	34.2%

Source: TPG AG & RVK

Figure 28: Sensitivity Analysis

Performance Excluding	No. of Investments	Gross TVPI	Difference
No Exclusions	210	1.16x	0
Excluding 3 Highest	207	1.15x	-0.01
Excluding 5 Highest	205	1.15x	-0.01
Excluding 10 Highest	200	1.15x	-0.01
Excluding 3 Lowest	207	1.16x	0.01
Excluding 5 Lowest	205	1.17x	0.02
Excluding 10 Lowest	200	1.19x	0.03

Source: TPG AG & RVK

Loss Ratio Analysis

Investing in private markets involves less control over capital flows than public markets. As such, prospective investors should carefully evaluate any private investment strategy for its effectiveness in avoiding long-term capital loss. In the following analysis, data is aggregated by a year for investments with gross multiples below 1.0x to calculate the loss ratios of the track record.

As illustrated in Figure 29, the strategy's total loss ratio is 3.2%. Based on RVK's analysis of various special situations private credit strategies, we would generally expect this peer group to have an average total loss ratio between 1.5% and 3%. The total loss ratio is at the higher end of the range for special situations strategies. However, with special situations strategies like CSFs, the total loss ratio can be misleading due to the nature of the assets within the portfolio. For instance, when you have stressed, distressed, or secondary assets in the portfolio, you may carry those investments multiple below 1.0x for most of the assets holding period. It is not until you sell the assets that it moves above 1.0x. As seen in Figure 30, CSF, in its realized investments experienced a loss ratio of 2.6%, which is within an acceptable range vs peers.

Figure 29: Loss Ratio Analysis CSF Series

	Total Portfolio Cost ($M)	Held Below Cost ($M)	Distribution Held Below Cost ($M)	Current Value Held Below Cost ($M)	Number Held Below Cost	Total Number	% of Invested Capital Held Below Cost	Multiple Held Below Cost	Total Loss Ratio
Total	$11,123	$1,658	$931	$368	18	210	15%	0.78x	3.2%

Source: TPG AG & RVK

Figure 30: Loss Ratio Analysis CSF Series Realized & Unrealized

	Total Portfolio Cost of Investments ($M)	Cost of Investments Held Below Cost ($M)	Distributions of Investments Held Below Cost ($M)	Current Value of Investments Held Below Cost ($M)	Number of Investments Held Below Cost	Total Number of Investments	% of Invested Capital Held Below Cost	Multiple of Investments Held Below Cost	Total Loss Ratio
Realized	$5,074	$707	$576	$0	8	138	14%	0.81x	2.6%
Unrealized	$6,049	$950	$368	$368	10	72	16%	0.77x	3.5%
Total	$11,123	$1,658	$931	$368	18	210	15%	0.78x	3.2%

Source: TPG AG & RVK

SUMMARY OF FUND TERMS

Overall Evaluation	• RVK views the majority of the terms as industry standards and has reviewed the Limited Partnership Agreement, PPM, and the firm's financials. • However, we would like to see the Key Personnel Event strengthened.

RVK has conducted a basic review of the Fund's terms and documentation. The following section highlights critical observations we believe prospective investors should be aware of as they conduct their review. As always, we recommend that prospective investors use these key observations in conjunction with a complete documentation review conducted by authorized legal counsel.

Key Person Event – "Key Person Event" means if (i) a Key Executive Required Effort Failure has occurred, and the Advisory Committee has not approved the appointment of a Qualified Replacement pursuant to the procedures set forth in Section 3.12(a) during the 60-day period immediately following such Key Executive Required Effort Failure, (ii) a Key Professional Required Effort Failure has occurred or (iii) a Formation Period Required Effort Failure has occurred.

"Key Executives" means each of Ryan Mollett, Josh Baumgarten, Jack Weingart and Jon Winkelried (until any of the foregoing Persons is replaced by a Qualified Replacement), and any Qualified Replacement for any of the foregoing.

"Key Executive Required Effort Failure" means if, at any time during the Commitment Period, three of the Key Executives cease to devote the applicable Required Effort.

"Key Persons" means, as of any time, the Key Executives and Jacob Gladstone, Joseph Lenz, Brendan McCaffrey, and Ryan Mollett.

"Key Professional Required Effort Failure" means if, at any time during the Commitment Period, both (i) Ryan Mollett and (ii) any one of Jacob Gladstone, Joseph Lenz, and Brendan McCaffrey ceases to devote the applicable Required Effort.

"Formation Period Required Effort Failure" means if, at any time before (but not including) January 1, 2026, Ryan Mollett ceases to devote his applicable Required Effort.

> *Commentary: As mentioned before in the "Issues to Consider" section of this document RVK believes that the Key Person provision is weak considering that Ryan Mollett is the sole decision maker for the Fund. RVK would like to see Ryan singled out and named a Key Person for the entire life of CSF III.*

Management Fee – "Management Fee Rate" means

(a) with respect to Limited Partners with Capital Commitments of $300 million or more, a quarterly rate of 0.2500% (1.00% per annum),

(b) with respect to Limited Partners with Capital Commitments of $200 million or more but less than $300 million, a quarterly rate of 0.3125% (1.25% per annum),11

(c) with respect to Limited Partners with Capital Commitments of $100 million or more but less than $200 million, a quarterly rate of 0.3625% (1.45% per annum),

(d) with respect to Limited Partners with Capital Commitments of $50 million or more but less than $100 million, a quarterly rate of 0.3875% (1.55% per annum),

(e) with respect to Limited Partners with Capital Commitments of $25 million or more but less than $50 million, a quarterly rate of 0.4125% (1.65% per annum), and

(f) with respect to Limited Partners with Capital Commitments of less than $25 million, a quarterly rate of 0.4375% (1.75% per annum).

Commentary: RVK views the fees as high compared to peers within the opportunistic and special situations category.

Organizational and Operating Expenses – Section 3.4 – Each of the Partnership and any Additional Fund shall be responsible for such entity's share (as determined by the General Partner in accordance with Section 3.5(b) below), up to an aggregate amount not to exceed the greater of (i) $6,000,000 and (ii) 0.15% of the Combined Commitments (the "Expense Cap"), of the aggregate expenses of the organization of such entities and offering of Interests and of interests of any Additional Funds, including government charges and professional fees and expenses in connection with the preparation of this Agreement, other contract documents and disclosure documents to be furnished by the General Partner to prospective investors in the Partnership and any Additional Fund, legal and accounting fees, printing costs, travel and out-of-pocket expenses ("Organizational Expenses"). The General Partner, the Fund Advisor and/or their Affiliates shall be responsible for all Organizational Expenses in excess of the Expense Cap, and the excess, if any, of the Partnership's share of Organizational Expenses over an amount equal to its share of the Expense Cap shall reduce Management Fees payable to the Fund Advisor.

Commentary: RVK views this term as market.

Alternative Investment Vehicle; Other Regulatory Accommodations; Parallel Fund – Section 3.11 - Notwithstanding any other provision of this Agreement, in an effort to accommodate tax, legal, regulatory, policy, fiscal or other considerations, the General Partner shall have the authority to implement any of these measures:

(a) structuring the Fund Investment to consist of two or more different types of instruments, to be specially allocated on a segregated basis between the affected category of Partners and all other Partners.

(b) holding the Fund Investment through two or more different Investment Vehicles having different legal structures, with the interests therein to be specially allocated on a segregated basis between the affected category of Partners and all other Partners.

(c) establishing one or more Investment Vehicles utilized to make and/or hold a Fund Investment, including:

(i) an Investment Vehicle that invests as a Limited Partner of the Partnership or as a partner, member, shareholder, or owner of an Alternative Investment Vehicle; and

(ii) an Investment Vehicle that is a subsidiary of the Partnership or an Alternative Investment Vehicle to which (A) in the case of an existing Fund Investment, all or a portion of such Fund Investment is contributed or (B) in the case of a potential Fund Investment, the Capital Contributions of certain Partners toward such Fund Investment will be contributed by the Partnership or the Alternative Investment Vehicle, as the case may be (and such Investment Vehicle may be capitalized with debt and/or equity in the discretion of the General Partner);

(d) establishing a special purpose vehicle (an “Alternative Investment Vehicle”) which invests in lieu of, or in parallel with, the Partnership and through which the affected category of Partners or all Partners would participate in all or a portion of the Fund Investment or a category of Fund Investments.

Commentary: RVK views this term as market.

GP Commitment – Section 4.3 - The General Partner, together with the Fund Advisor, TPG and Affiliates of the foregoing, Fund Personnel and related parties of the foregoing, and any successors or assigns of the foregoing, shall make a direct or indirect aggregate capital commitment to the Fund and/or a Lower Tier Subsidiary on or prior to the Final Admission Date in an amount equal to at least the lesser of 1.5% of Combined Commitments (other than the Combined Commitments of the General Partner, the Fund Advisor, TPG and Affiliates of the foregoing, Fund Personnel and related parties of the foregoing, FOF Investors and any successors or assigns of the foregoing) and $75 million (the “TPG AG Commitment”). The General Partner may, in its discretion, at any time on or prior to the Final Admission Date, release or reduce all or any portion of the Capital Commitment of any Person providing the TPG AG Commitment in an amount equal to the Capital Commitments subscribed for by the other Persons providing the TPG AG Commitment that are admitted to the Fund at one or more closings on a Subsequent Closing Date after such Person, and the General Partner may make appropriate adjustments and take such actions as are necessary to reflect the foregoing.

Commentary: RVK views this term as market. However, the GP at any time can reduce all or a portion of its capital commitment.

Borrowing and Leverage – Section 4.9 - The Fund has the ability to borrow and leverage its investments, including on a recourse or non-recourse and/or joint, several, joint and several or cross-collateralized basis. The Combined Limited Partners may be jointly responsible on a cross-collateralized basis for the repayment of borrowings under any indebtedness and the Partnership may be jointly responsible on a cross-collateralized or joint and several basis with the Additional Funds for the repayment of borrowings under any indebtedness.

Commentary: RVK views this term as market.

Distributions – Section 5.2 – all Partnership distributions (including liquidating distributions) will first be divided among the Participating Partners pro rata in proportion to their Participation Percentages in the Fund Investment to which the distribution is attributable. Such amounts apportioned to the General Partner will be distributed to the General Partner. Amounts apportioned to each Limited Partner that is a Participating Partner shall be further divided between and distributed to such Participating Partner that is a Limited Partner and

the General Partner in the following amounts and order of priority:

(i) First, one hundred percent (100%) to such Limited Partner to the extent of such Limited Partner's Unrecovered Capital Balance;

(ii) Second, one hundred percent (100%) to such Limited Partner to the extent of such Limited Partner's Undistributed Preferred Balance;

(iii) Third, twenty percent (20%) to such Limited Partner, and eighty percent (80%) to the General Partner, until such time as the General Partner has received, in respect of its Carried Interest, pursuant to this clause (iii) an amount equal to twenty percent (20%) of the aggregate distributions made pursuant to Section 5.2(a)(ii) above and this Section 5.2(a)(iii) prior and concurrent thereto; and

(iv) Thereafter, eighty percent (80%) to such Limited Partner, and twenty percent (20%) to the General Partner.

Commentary: RVK views these terms as market.

Investment Limitations – Section 6.2 - The Fund shall not make any one Portfolio Investment, either directly or through an Investment Vehicle, that would cause the aggregate cost basis of the Fund in a single Portfolio Investment to exceed the greater of (i) ten percent 10% of the Combined Commitments and (ii) $450 million, without the consent of the Advisory Committee.

The General Partner has otherwise notified the Advisory Committee and/or Limited Partners regarding, (ii) to make follow-on investments in (or related to) existing Fund Investments, including any investments intended by the General Partner to protect or enhance the value of pre-existing Fund Investments (such as an investment in an affiliate or in a strategic supplier or customer), (iii) to hedge currency, interest rate, market or other risk with respect to existing Fund Investments, (iv) to satisfy any outstanding obligations pursuant to any arrangement, including any lending arrangement, guaranty or other obligation

The Fund shall not make any Portfolio Investment that would cause the aggregate cost basis of the Fund in a single sector, as reasonably determined by the General Partner in its discretion, to exceed the greater of (i) thirty percent (30%) of the Combined Commitments and (ii) $1.35 billion, without the consent of the Advisory Committee; provided that the aggregate cost basis of the Fund in energy companies shall not exceed twenty percent (20%) of the aggregate cost basis of the Fund, as reasonably determined by the General Partner in its discretion, without the consent of the Advisory Committee.

The Fund shall not make any Portfolio Investment that would cause the aggregate cost basis of the Fund in one-way, unhedged "short" exposure, as reasonably determined by the General Partner in its discretion, to exceed the greater of (i) fifteen percent (15%) of the Combined Commitments and (ii) $675 million, without the consent of the Advisory Committee; provided that the foregoing restriction shall not apply to Portfolio Investments that are deemed by the General Partner to be hedged with a paid "long" through capital structure arbitrage.

The Fund shall not make any Portfolio Investment that would cause the aggregate capital invested by the Fund in borrowers or issuers that are not domiciled or formed in, or do not have material activities in North America or Europe, as determined by the General Partner in its discretion, at the time of such acquisition, to exceed the greater of (i) fifteen percent (15%) of Combined Commitments and (ii) $675 million, without the consent of the Advisory Committee.

Commentary: RVK views these terms as market.

RVK