TPG Announces Inaugural TPG NEXT Fund to Invest in Underrepresented Alternative Asset Managers

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$500M Commitment From CalPERS Will Anchor TPG NEXT Fund

SAN FRANCISCO & FORT WORTH, Texas--(BUSINESS WIRE)--Jan. 10, 2023-- TPG (NASDAQ: TPG), a global alternative asset management firm, today announced the launch of the inaugural TPG NEXT fund, which will back the next generation of underrepresented alternative asset managers. CalPERS will anchor the fund with a $500 million commitment, and TPG will continue to raise third-party capital to address its significant pipeline and compelling opportunity set across the diverse manager landscape. The target size of the fund was not disclosed.

TPG launched TPG NEXT to seed new managers, strengthen their access to capital, offer business building expertise, and provide strategic advisory support to talent that is chronically underrepresented in alternative asset management. The strategy aims to increase the number of diverse-led firms in alternative assets, aligning the industry more closely with broader demographic trends.

“We launched TPG NEXT to empower principal talent underrepresented in alternative assets to become next generation industry leaders,” said Jon Winkelried, CEO of TPG. “CalPERS’ anchor commitment to the inaugural TPG NEXT fund is an important step in mobilizing change in our industry. Together, we will bring financial and operational capital support to diverse-led firms, accelerating their growth and success and demonstrating their ability to generate competitive returns.”

“CalPERS is committed to giving access and opportunity to new and innovative talent in the investment industry,” said CalPERS Chief Investment Officer Nicole Musicco. “We hope this partnership with TPG is the first step in developing an ecosystem that will catalyze the next generation of diverse talent and foster different ways of seeing and solving problems.”

TPG will also partner with CalPERS to create additional insights, resources, and networking opportunities for investor entrepreneurs as they launch their businesses. TPG and CalPERS are developing holistic tools that will provide practical, actionable expertise to enable investors to implement operational and managerial best practices on Day 1. The organizations will also host gatherings to convene GPs and LPs seeking to diversify the alternative asset management ecosystem.

TPG NEXT leverages the full TPG ecosystem by combining capital, operating expertise, and the broad reach of its network to help underrepresented founders and teams build businesses for the future. The firm began investing in diverse managers in 2019 and has since backed three firms: Harlem Capital, VamosVentures, and LandSpire.

The TPG NEXT strategy joins The Rise Fund and TPG Rise Climate as part of TPG’s industry-leading $16 billion global impact investing platform. The platform’s funds are committed to driving both competitive financial returns and meaningful, measurable impact at scale.

“TPG NEXT seeks to address the talent gap through a suite of capital solutions and value-add support that is designed to address frequent pain points of new firms in a comprehensive way,” said Pamela Pavkov, Partner and Head of TPG NEXT. “Our aim is that this fund will not only advance diverse-led firms but also the diverse communities that these managers are connected to, bringing our industry more in line with demographic trends while also providing unique access to differentiated investment opportunities. We are thrilled to reach this milestone with CalPERS and look forward to continuing to build and grow our manager seeding platform.”

CalPERS, which has been investing in newly established teams and partnerships in the investment industry for more than 30 years, is investing with TPG as part of an initiative aimed at identifying and supporting the next generation of investor entrepreneurs in the private markets. The CalPERS Board recently increased its allocation to private equity from 8% to 13%, starting with the 2022-23 fiscal year.

About TPG

TPG (Nasdaq: TPG) is a leading global alternative asset management firm founded in San Francisco in 1992 with $135 billion of assets under management and investment and operational teams in 12 offices globally. TPG invests across five multi-product platforms: Capital, Growth, Impact, Real Estate, and Market Solutions and our unique strategy is driven by collaboration, innovation, and inclusion. Our teams combine deep product and sector experience with broad capabilities and expertise to develop differentiated insights and add value for our fund investors, portfolio companies, management teams, and communities. For more information, visit www.tpg.com or @TPG on Twitter.

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