UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-04321

TPG Inc.
(Exact name of registrant as specified in its charter)

Delaware	**87-2063362**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
301 Commerce Street, Suite 3300 **Fort Worth, TX**	**76102** (Zip Code)

(817) 871-4000
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock	**TPG**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	x	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of May 10, 2023, there were 72,252,574 shares of the registrant’s Class A common stock, 8,258,901 shares of the registrant’s nonvoting Class A common stock and 228,652,641 shares of the registrant’s Class B common stock outstanding.

Table of Contents

Cautionary Note Regarding Forward-Looking Statements

This report may contain forward-looking statements. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects” and similar references to future periods, or by the inclusion of forecasts or projections. Examples of forward-looking statements include, but are not limited to, statements we make regarding the outlook for our future business and financial performance, estimated operational metrics, business strategy and plans and objectives of management for future operations, including, among other things, statements regarding the expected filing of our amended and restated certificate of incorporation, the expected growth, future capital expenditures, fund performance, dividends and dividend policy and debt service obligations, such as those contained in “Item 2.—Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the inability to complete and recognize the anticipated benefits of the acquisition of Angelo, Gordon & Co., L.P. and AG Funds L.P. (collectively, “Angelo Gordon”) on the anticipated timeline or at all; purchase price adjustments; unexpected costs related to the transaction and the integration of the Angelo Gordon business and operations; our ability to manage growth and execute our business plan; and regional, national or global political, economic, business, competitive, market and regulatory conditions, including, but not limited to, those described in “Item 1A.—Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the United States Securities and Exchange Commission (“SEC”) on February 24, 2023, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at https://www.sec.gov, and “Item 2.—Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this report. Any forward-looking statement made by us in this Quarterly Report on Form 10-Q speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Website and Social Media Disclosure

We use our website (https://www.tpg.com), Rise website (https://therisefund.com), Microsites (https://software.tpg.com, https://healthcare.tpg.com), LinkedIn (https://www.linkedin.com/company/tpg-capital), Twitter (https://twitter.com/tpg), Vimeo (https://vimeo.com/user52190696), Rise YouTube (https://www.youtube.com/channel/UCo8p2iF_I5p-Wr2_MQlzedw/featured) and Rise Instagram (https://www.instagram.com/therisefund/?hl=en) accounts as channels of distribution of company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about TPG when you enroll your email address by visiting the “Email Alerts” section of our website at https://shareholders.tpg.com. The contents of our website, any alerts and social media channels are not, however, a part of this report.

TERMS USED IN THIS REPORT

As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires, references to:

- “TPG,” “the Company,” “we,” “our,” and “us,” or like terms, refer to TPG Inc. and its consolidated subsidiaries taken as a whole.
- “Class A common stock” refers to Class A common stock of TPG Inc., which entitles the holder to one vote per share. When we use the term “Class A common stock” in this Quarterly Report on Form 10-Q, we are referring exclusively to such voting Class A common stock and not to “nonvoting Class A common stock.”
- “Class B common stock” refers to Class B common stock of TPG Inc., which entitles the holder to ten votes per share until the Sunset but carries no economic rights.
- “Common Unit” refers to a common unit in each of the TPG Operating Group partnerships (or, depending on the context, a common unit in a TPG Operating Group partnership).
- “Control Group” refers to David Bonderman, James G. (“Jim”) Coulter and Jon Winkelried.
- “Excluded Assets” refers to the assets and economic entitlements transferred to RemainCo listed in Schedule A to the master contribution agreement entered into in connection with the Reorganization (as defined herein), which primarily include (i) minority interests in certain sponsors unaffiliated with TPG, (ii) the right to certain performance allocations in TPG funds, (iii) certain co-invest interests and (iv) cash.
- “Founders” refers to David Bonderman and James G. (“Jim”) Coulter.
- “GP LLC” refers to TPG GP A, LLC, the owner of the general partner of TPG Group Holdings.
- “Investor Rights Agreement” refers to the investor rights agreement, dated January 12, 2022, among TPG Inc., TPG Operating Group I, L.P., TPG Operating Group II, L.P., TPG Operating Group III, L.P., TPG Group Holdings (SBS), L.P., TPG New Holdings, LLC, TPG Partner Holdings, L.P., the Other TPG Feeder Partnerships, the Limited Partners and the Investors.
- “IPO” refers to our initial public offering of Class A common stock of TPG Inc. that was completed on January 18, 2022.
- “nonvoting Class A common stock” refers to the nonvoting Class A common stock of TPG Inc., which has no voting rights and is convertible into shares of Class A common stock upon transfer to a third party as and when permitted by the Investor Rights Agreement.
- “Pre-IPO Investors” refers to certain sovereign wealth funds, other institutional investors and certain other parties that entered into a strategic relationship with us prior to the Reorganization.
- “Public SPACs” refers to TPG Pace Beneficial Finance Corp., TPG Pace Beneficial II Corp. and AfterNext HealthTech Acquisition Corp.
- “RemainCo” refers to, collectively, Tarrant Remain Co I, L.P., a Delaware limited partnership, Tarrant Remain Co II, L.P., a Delaware limited partnership, and Tarrant Remain Co III, L.P., a Delaware limited partnership, which owns the Excluded Assets, and Tarrant Remain Co GP, LLC, a Delaware limited liability company serving as their general partner.
- “Sunset” refers to the event that will occur on the date that a majority of the independent directors are elected at the first annual meeting of stockholders (or pursuant to a consent of stockholders in lieu thereof) after the earlier of (i) the earliest date specified in a notice delivered to the Company by GP LLC and its members pursuant to that certain GP LLC limited liability company agreement promptly following the earliest of: (a) the date that is three months after the date that neither Founder continues to be a member of GP LLC, (b) a vote of GP LLC to trigger the Sunset and (c) upon 60-days advance notice, the date determined by either Founder who is then a member of the Control Group to trigger the Sunset, if, following a period of at least 60

days, the requisite parties are unable to agree on the renewal of Mr. Winkelried's employment agreement or the selection of a new CEO in the event that Mr. Winkelried ceases to serve as our CEO, and (ii) the first day of the quarter immediately following the fifth anniversary of the IPO.

- "TPG general partner entities" refers to certain entities that (i) serve as the general partner of certain TPG funds and (ii) are, or historically were, consolidated by TPG Group Holdings.
- "TPG Group Holdings" refers to TPG Group Holdings (SBS), L.P., a Delaware limited partnership that is considered our predecessor for accounting purposes and is a TPG Partner Vehicle and direct owner of certain Common Units and Class B common stock.
- "TPG Operating Group" refers (i) for periods prior to giving effect to the Reorganization, to the TPG Operating Group partnerships and their respective consolidated subsidiaries and (ii) for periods beginning after giving effect to the Reorganization, (A) to the TPG Operating Group partnerships and their respective consolidated subsidiaries and (B) not to RemainCo.
- "TPG Operating Group partnerships" refers to TPG Operating Group I, L.P., a Delaware limited partnership formerly named TPG Holdings I, L.P., TPG Operating Group II, L.P., a Delaware limited partnership formerly named TPG Holdings II, L.P., and TPG Operating Group III, L.P., a Delaware limited partnership formerly named TPG Holdings III, L.P.
- "TPG Partner Holdings" refers to TPG Partner Holdings, L.P., a Delaware limited partnership, which is a TPG Partner Vehicle that indirectly owns substantially all of the economic interests of TPG Group Holdings, a TPG Partner Vehicle.
- "TPG Partner Vehicles" refers to, collectively, the vehicles through which the Founders and current and former TPG partners (including such persons' related entities and estate planning vehicles) hold their equity in the TPG Operating Group, including TPG Group Holdings and TPG Partner Holdings.

In addition, for definitions of "Gross IRR," "Net IRR," "Gross MoM" and related terms, see "Item 2.—Management's Discussion and Analysis of Financial Condition and Results of Operations—Net Accrued Performance Allocations—Fund Performance Metrics."

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

TPG Inc.
Condensed Consolidated Statements of Financial Condition (unaudited)
(dollars in thousands, except share data)

	March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 931,946	$ 1,107,484
Restricted cash [1]	13,277	13,166
Due from affiliates	193,142	202,639
Investments (includes assets pledged of **$488,655** and $475,110 as of March 31, 2023 and December 31, 2022, respectively [1])	5,530,841	5,329,868
Other assets	637,007	629,392
Assets of consolidated Public SPACs [1]:		
Cash and cash equivalents	4,375	5,097
Assets held in Trust Accounts	656,347	653,635
Other assets	387	457
Total assets	$ 7,967,322	$ 7,941,738
Liabilities, Redeemable Equity and Equity		
Liabilities		
Accounts payable and accrued expenses	$ 149,751	$ 98,171
Due to affiliates	232,815	139,863
Debt obligations [1]	444,733	444,566
Accrued performance allocation compensation	3,225,492	3,269,889
Other liabilities	232,311	226,090
Liabilities of consolidated Public SPACs [1]:		
Derivative liabilities	1,417	667
Deferred underwriting	22,750	22,750
Other liabilities	262	236
Total liabilities	4,309,531	4,202,232
Commitments and contingencies (Note 12)		
Redeemable equity attributable to consolidated Public SPACs [1]	656,347	653,635
Equity		
Class A common stock $0.001 par value, 2,340,000,000 shares authorized (**80,492,727** and 79,240,058 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively)	80	79
Class B common stock $0.001 par value, 750,000,000 shares authorized (**228,652,641** and 229,652,641 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively)	229	230
Preferred stock, $0.001 par value, 25,000,000 shares authorized (0 issued and outstanding as of March 31, 2023 and December 31, 2022, respectively)	—	—
Additional paid-in-capital	522,888	506,639
Retained (deficit) earnings	(13,981)	2,724
Other non-controlling interests	2,492,228	2,576,199
Total equity	3,001,444	3,085,871
Total liabilities, redeemable equity and equity	$ 7,967,322	$ 7,941,738

(1) The Company's consolidated total assets and liabilities as of March 31, 2023 and December 31, 2022 include assets and liabilities of variable interest entities ("VIEs"). The assets can be used only to satisfy obligations of the VIEs, and the creditors of the VIEs have recourse only to these assets, and not to TPG Inc. These amounts include the assets and liabilities of consolidated Public SPACs, restricted cash, assets pledged of securitization vehicles, secured borrowings of securitization vehicles, and redeemable equity of consolidated Public SPACs. See Notes 2, 7 and 8 to the Condensed Consolidated Financial Statements.

TPG Inc.
Condensed Consolidated Statements of Operations (unaudited)
(dollars in thousands, except share and per share data)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Revenues		
Fees and other	**$ 311,471**	$ 273,005
Capital allocation-based income	**331,674**	837,705
Total revenues	**643,145**	1,110,710
Expenses		
Compensation and benefits:		
Cash-based compensation and benefits	**120,451**	116,359
Equity-based compensation	**157,293**	185,911
Performance allocation compensation	**221,341**	523,138
Total compensation and benefits	**499,085**	825,408
General, administrative and other	**104,873**	102,264
Depreciation and amortization	**8,222**	8,699
Interest expense	**7,418**	4,638
Expenses of consolidated Public SPACs:		
Other	**519**	1,523
Total expenses	**620,117**	942,532
Investment income (loss)		
Income (loss) from investments:		
Net gains from investment activities	**14,816**	6,643
Interest, dividends and other	**7,971**	204
Investment income of consolidated Public SPACs:		
Unrealized (losses) gains on derivative liabilities of Public SPACs	**(750)**	2,657
Interest, dividends and other	**2,712**	126
Total investment income	**24,749**	9,630
Income before income taxes	**47,777**	177,808
Income tax expense	**12,103**	15,004
Net income	**35,674**	162,804
Net loss attributable to redeemable equity in Public SPACs prior to Reorganization and IPO	**—**	(517)
Net income attributable to other non-controlling interests prior to Reorganization and IPO	**—**	966
Net income attributable to TPG Group Holdings prior to Reorganization and IPO	**—**	5,256
Net income attributable to redeemable equity in Public SPACs	**1,529**	1,823
Net loss attributable to non-controlling interests in TPG Operating Group	**(25,492)**	(4,912)
Net income attributable to other non-controlling interests	**34,582**	118,904
Net income attributable to TPG Inc. subsequent to Reorganization and IPO	**$ 25,055**	**$ 41,284**
Net income (loss) per share data:		
Net income (loss) available to Class A common stock per share		
Basic	**$ 0.27**	**$ 0.52**
Diluted	**$ (0.01)**	**$ 0.11**
Weighted-average shares of Class A common stock outstanding		
Basic	**79,499,319**	**79,240,057**
Diluted	**309,140,849**	**308,892,698**

See accompanying notes to Condensed Consolidated Financial Statements.

TPG Inc.
Condensed Consolidated Statements of Changes in Equity (unaudited)
(dollars in thousands, except share data)

	Shares of TPG Inc.		TPG Inc.						
	Class A Common Stock	Class B Common Stock	Class A Common Stock, at par value	Class B Common Stock, at par value	Additional Paid-In Capital	Retained Earnings (Deficit)	Total TPG Inc. Equity	Other Non-Controlling Interests	Total Equity
Balance at December 31, 2022	**79,240,058**	**229,652,641**	**$ 79**	**$ 230**	**$ 506,639**	**$ 2,724**	**$ 509,672**	**$ 2,576,199**	**$ 3,085,871**
Net income	—	—	—	—	—	25,055	25,055	9,090	34,145
Equity-based compensation	—	—	—	—	9,320	—	9,320	146,386	155,706
Capital contributions	—	—	—	—	—	—	—	2,791	2,791
Dividends/distributions	—	—	—	—	—	(41,760)	(41,760)	(229,179)	(270,939)
Change in redemption value of redeemable non-controlling interest	—	—	—	—	(91)	—	(91)	(1,092)	(1,183)
Shares issued for net settlement of equity-based awards	252,669	—	0	—	(0)	—	—	—	—
Withholding taxes paid on net settlement of equity-based awards	—	—	—	—	(1,546)	—	(1,546)	(4,486)	(6,032)
Exchange of Common Units to TPG Inc. Class A Common stock	1,000,000	(1,000,000)	1	(1)	1,085	—	1,085	—	1,085
Equity reallocation between controlling and non-controlling interest	—	—	—	—	7,481	—	7,481	(7,481)	—
Balance at March 31, 2023	**80,492,727**	**228,652,641**	**$ 80**	**$ 229**	**$ 522,888**	**$ (13,981)**	**$ 509,216**	**$ 2,492,228**	**$ 3,001,444**

See accompanying notes to Condensed Consolidated Financial Statements.

TPG Inc.
Condensed Consolidated Statements of Changes in Equity (unaudited)
(dollars in thousands, except share data)

		Shares of TPG Inc.		TPG Inc.						
	Partners' Capital	Class A Common Stock	Class B Common Stock	Class A Common Stock, at par value	Class B Common Stock, at par value	Additional Paid-In Capital	Retained Earnings (Deficit)	Total TPG Inc. Equity	Other Non-Controlling Interests	Total Partners' Capital/ Equity
Balance at December 31, 2021	**$ 1,606,593**	**—**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 4,654,821**	**$ 6,261,414**
Net income prior to Reorganization and IPO	**5,256**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**966**	**6,222**
Change in redemption value of redeemable non-controlling interest prior to Reorganization and IPO	**(110)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(407)**	**(517)**
Effect of Reorganization and purchase of units in the Partnership	**(1,611,739)**	**48,984,961**	**229,652,641**	**49**	**230**	**271,780**	**(27)**	**272,032**	**1,341,603**	**1,896**
Issuance of common stock in IPO, net of underwriting discount and issuance costs	**—**	**28,310,194**	**—**	**28**	**—**	**784,611**	**—**	**784,639**	**(25,426)**	**759,213**
Purchase of Partnership Interests with IPO proceeds	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(379,597)**	**(379,597)**
Issuance of common stock from Underwriters' exercise of over-allotment option, net of underwriting discount and issuance costs	**—**	**1,775,410**	**—**	**2**	**—**	**49,754**	**—**	**49,756**	**—**	**49,756**
Equity reallocation between controlling and non-controlling interests prior to Reorganization and IPO	**—**	**—**	**—**	**—**	**—**	**(654,129)**	**—**	**(654,129)**	**654,129**	**—**
Acquisition of NewQuest	**—**	**—**	**—**	**—**	**—**	**33,584**	**—**	**33,584**	**(33,584)**	**—**
Deferred tax effect resulting from purchase of Class A Units, net of amounts payable under Tax Receivable Agreement	**—**	**—**	**—**	**—**	**—**	**(13,232)**	**—**	**(13,232)**	**—**	**(13,232)**
Liability-based performance allocation compensation	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(3,525,767)**	**(3,525,767)**
Net income subsequent to Reorganization and IPO	**—**	**—**	**—**	**—**	**—**	**—**	**41,284**	**41,284**	**113,992**	**155,276**
Equity-based compensation subsequent to Reorganization and IPO	**—**	**—**	**—**	**—**	**—**	**7,627**	**—**	**7,627**	**182,835**	**190,462**
Capital distributions subsequent to Reorganization and IPO	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(82,345)**	**(82,345)**
Change in redemption value of redeemable non-controlling interest subsequent to Reorganization and IPO	**—**	**—**	**—**	**—**	**—**	**(141)**	**—**	**(141)**	**2,645**	**2,504**
Balance at March 31, 2022	**$ —**	**79,070,565**	**229,652,641**	**$ 79**	**$ 230**	**$ 479,854**	**$ 41,257**	**$ 521,420**	**$ 2,903,865**	**$ 3,425,285**

See accompanying notes to Condensed Consolidated Financial Statements.

TPG Inc.
Condensed Consolidated Statements of Cash Flows (unaudited)
(dollars in thousands)

	Three Months Ended March 31,	
	2023	**2022**
Operating activities:		
Net income	**$ 35,674**	$ 162,804
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity-based compensation	**157,293**	185,911
Performance allocation compensation	**221,341**	523,138
Net gains from investment activities	**(14,816)**	(6,643)
Capital allocation-based income	**(331,674)**	(837,705)
Other non-cash activities	**17,829**	16,565
Unrealized losses (gains) on derivative liabilities of Public SPACs	**750**	(2,657)
Changes in operating assets and liabilities:		
Purchases of investments	**(21,113)**	(25,297)
Proceeds from investments	**172,602**	662,481
Due from affiliates	**3,253**	(53,802)
Other assets	**(14,855)**	(25,514)
Accounts payable and accrued expenses	**51,580**	74,402
Due to affiliates	**29,104**	37,420
Accrued performance allocation compensation	**(265,738)**	(2,599)
Other liabilities	**(3,535)**	(3,457)
Changes related to consolidated Public SPACs:		
Cash and cash equivalents	**722**	(4,123)
Assets held in Trust Accounts	**(2,712)**	(29)
Other assets	**70**	17,830
Other liabilities	**25**	(5,123)
Net cash provided by operating activities	**35,800**	713,602
Investing activities:		
Repayments of notes receivable from affiliates	**—**	14,616
Advances on notes receivable from affiliates	**—**	(14,000)
Purchases of fixed assets	**(896)**	(1,252)
Net cash used in investing activities	**(896)**	(636)
Financing activities:		
Proceeds from issuance of common stock in IPO, net of underwriting and issuance costs	**—**	770,865
Proceeds from issuance of common stock from underwriters' exercise of over-allotment option, net of underwriting and issuance costs	**—**	49,756
Purchase of partnership interests with IPO proceeds	**—**	(379,597)
Reorganization activities	**—**	2,124
Proceeds from Subordinated Credit Facility	**—**	30,000
Repayments of Subordinated Credit Facility	**—**	(30,000)
Withholding taxes paid on net settlement of equity-based awards	**(6,032)**	—
Contributions from holders of other non-controlling interests	**2,791**	—
Distributions to holders of other non-controlling interests prior to Reorganization and IPO	**—**	(318,942)
Dividends/Distributions	**(207,090)**	—
Distributions to partners prior to Reorganization and IPO	**—**	(355,282)
Net cash used in financing activities	**(210,331)**	(231,076)
Net change in cash, cash equivalents and restricted cash	**$ (175,427)**	$ 481,890
Cash, cash equivalents and restricted cash, beginning of period	**1,120,650**	985,864
Cash, cash equivalents and restricted cash, end of period	**$ 945,223**	$ 1,467,754

See accompanying notes to Condensed Consolidated Financial Statements.

	Three Months Ended March 31,	
	2023	**2022**
Supplemental disclosures of other cash flow information:		
Cash paid for income taxes	**$ 1,895**	$ 1,039
Cash paid for interest	**3,897**	32
Supplemental disclosures of non-cash investing and financing activities:		
Deferred underwriting related to Public SPACs	**—**	11,652
Distributions payable to holders of other non-controlling interests	**66,710**	82,345
Reconciliation of cash, cash equivalents and restricted cash, end of period:		
Cash and cash equivalents	**$ 931,946**	$ 1,454,619
Restricted cash	**13,277**	13,135
Cash, cash equivalents and restricted cash, end of period	**$ 945,223**	$ 1,467,754

See accompanying notes to Condensed Consolidated Financial Statements.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Organization

TPG Inc., along with its consolidated subsidiaries (collectively “TPG,” or the “Company”) is a leading global alternative asset manager on behalf of third-party investors under the “TPG” brand name. TPG Inc. includes the consolidated accounts of management companies, general partners of pooled investment entities and Special Purpose Acquisition Companies (“Public SPACs” and/or “SPACs”), which are held in one of three holding companies (TPG Operating Group I, L.P., TPG Operating Group II, L.P. and TPG Operating Group III, L.P.) (collectively the “TPG Operating Group”).

Reorganization and IPO

The owners of TPG Group Holdings and the TPG Operating Group completed a series of actions on January 12, 2022 as part of a corporate reorganization (the “Reorganization”), in conjunction with an initial public offering (“IPO”) that was completed on January 18, 2022. TPG Partners, LLC was created on August 4, 2021 to effectuate the IPO and acquire Common Units of the TPG Operating Group on behalf of public investors. TPG Partners, LLC was designed as a holding company, and its only business was to act as the owner of the entities serving as the general partner of the TPG Operating Group partnerships. The TPG Operating Group (and the entities through which its direct and indirect partners held their interests) was restructured and recapitalized. On December 31, 2021, the TPG Operating Group transferred certain assets to RemainCo and distributed the interests in RemainCo to the owners of the TPG Operating Group.

On January 12, 2022, the following steps were completed:

- TPG Group Holdings, the TPG Operating Group, and TPG Partners, LLC completed the remaining steps of the planned Reorganization. The TPG Operating Group created Common Units and issued them to the Company and the other non-controlling interest holders of the TPG Operating Group. Immediately following the Reorganization, the TPG Operating Group and its subsidiaries were controlled by the same parties and as such, the Reorganization is a transfer of interests under common control. Accordingly, the Company will carry forward the existing value of the members’ interests in the assets and liabilities in these Condensed Consolidated Financial Statements prior to the IPO into the financial statements following the IPO.

- TPG Partners, LLC changed its name to TPG Inc. and converted to a corporation.

- TPG Inc. offered 33,900,000 shares of Class A common stock at a price of $29.50 per share, including 5,589,806 shares sold by a non-controlling interest holder of the TPG Operating Group, in the IPO. Additionally, certain Pre-IPO Investors exchanged their interests in the TPG Operating Group for interests in TPG Inc. totaling 35,136,254 Class A voting and 8,258,901 Class A non-voting common stock. The IPO closed on January 18, 2022, and TPG Inc. received proceeds totaling $770.9 million, net of $41.8 million in underwriting discounts and commissions, as well as $22.5 million of issuance costs. Proceeds of $379.6 million were used to repurchase Common Units of the TPG Operating Group from certain existing non-controlling interest holders, acquire newly issued Common Units of the TPG Operating Group and the remaining net proceeds are available for general corporate purposes. As a result of the Reorganization and IPO, TPG Inc. only holds Common Units of the TPG Operating Group.

On February 9, 2022, the Company and the selling stockholder sold an additional 1,775,410 and 1,614,590 Class A common stock, respectively, at the initial public offering price pursuant to the underwriters’ exercise of their option to purchase additional shares. TPG Inc. received additional net proceeds totaling approximately $49.8 million. The underwriters’ exercise of their option in addition to the IPO related transactions resulted in a total of 70,811,664 and 8,258,901 of Class A voting and Class A non-voting common stock outstanding, respectively.

As of March 31, 2023, TPG Inc.’s ownership of the TPG Operating Group totaled approximately 26%.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements (the "Condensed Consolidated Financial Statements") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and reflect all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the Company's Condensed Consolidated Financial Statements. All dollar amounts are stated in thousands unless otherwise indicated. These interim Condensed Consolidated Financial Statements should be read in conjunction with the Company's Form 10-K for the year ended December 31, 2022. All intercompany transactions and balances have been eliminated. These interim Condensed Consolidated Financial Statements are unaudited and have been prepared on a basis consistent with that used to prepare the audited Consolidated Financial Statements. The operating results presented for interim periods are not necessarily indicative of the results expected for the full year ending December 31, 2023.

The Condensed Consolidated Financial Statements include the accounts of TPG Inc., TPG Operating Group and their consolidated subsidiaries, TPG's management companies, the general partners of TPG funds and entities that meet the definition of a variable interest entity ("VIE") for which the Company is considered the primary beneficiary.

All of the management fees and other amounts earned from the consolidated Public SPACs are eliminated in consolidation. In addition, the equivalent expense amounts recorded by the consolidated Public SPACs are also eliminated, with such reduction of expenses allocated to controlling interest holders. Accordingly, the consolidation of these entities has no net effect on net income attributable to TPG Inc. or net income attributable to other non-controlling interests. The TPG funds make investments into portfolio companies which are considered affiliates due to the nature of the Company's ownership interests.

Use of Estimates

The preparation of the Condensed Consolidated Financial Statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements, and the reported amounts of revenues, expenses, and investment income during the reporting periods. Actual results could differ from those estimates and such differences could be material to the Condensed Consolidated Financial Statements.

Principles of Consolidation

The types of entities TPG assesses for consolidation include subsidiaries, management companies, broker-dealers, general partners of investment funds, investment funds, SPACs and other entities. Each of these entities is assessed for consolidation on a case by case basis depending on the specific facts and circumstances surrounding that entity.

TPG first considers whether an entity is considered a VIE and therefore whether to apply the consolidation guidance under the VIE model. Entities that do not qualify as VIEs are assessed for consolidation as voting interest entities ("VOE") under the voting interest model.

An entity is considered to be a VIE if any of the following conditions exist: (i) the equity investment at risk is not sufficient to finance the activities of the entity without additional subordinated financial support, (ii) as a group, the holders of the equity investment at risk lack the power to direct the activities that most significantly impact the entity's economic performance or the obligation to absorb the expected losses or right to receive the expected residual returns, and (iii) the voting rights of some holders of the equity investment at risk are disproportionate to their obligation to absorb losses or right to receive returns, and substantially all of the activities are conducted on behalf of the holder of equity investment at risk with disproportionately few voting rights. For limited partnerships, partners lack power if neither (i) a simple majority or lower threshold (including a single limited partner) with equity at risk is able to exercise substantive kick-out rights through voting interests over the general partner, nor (ii) limited partners with equity at risk are able to exercise substantive participating rights over the general partners.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

TPG consolidates all VIEs in which it is the primary beneficiary. An entity is determined to be the primary beneficiary if it holds a controlling financial interest in a VIE. A controlling financial interest is defined as (i) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The consolidation guidance requires an analysis to determine (i) whether an entity in which TPG holds a variable interest is a VIE and (ii) whether TPG's involvement, through holding interest directly or indirectly in the entity or contractually through other variable interests, would give it a controlling financial interest. Performance of that analysis requires judgment. The analysis can generally be performed qualitatively; however, if it is not readily apparent that TPG is not the primary beneficiary, a quantitative analysis may also be performed. TPG factors in all economic interests including interests held through related parties, to determine if it holds a variable interest. Fees earned by TPG that are customary and commensurate with the level of effort required for the services provided, and where TPG does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, would not be considered variable interests. TPG determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and continuously reconsiders that conclusion when facts and circumstances change.

Entities that are determined not to be VIEs are generally considered to be VOEs and are evaluated under the voting interest model. TPG consolidates VOEs that it controls through a majority voting interest or through other means.

Investments

Investments consist of investments in private equity funds, real estate funds, hedge funds and credit funds, including our share of any performance allocations and equity method and other proprietary investments. Investments denominated in currencies other than the U.S. dollar are valued based on the spot rate of the respective currency at the end of the reporting period with changes related to exchange rate movements reflected in the Condensed Consolidated Financial Statements.

Equity Method – Performance Allocations and Capital Interests

Investments in which the Company is deemed to have significant influence, but not control, are accounted for using the equity method of accounting except in cases where the fair value option has been elected. The Company as general partner has significant influence over the TPG funds in which it invests but does not consolidate. The Company uses the equity method of accounting for these interests whereby it records both its proportionate and disproportionate allocation of the underlying profits or losses of these entities in revenues in the accompanying Condensed Consolidated Financial Statements. The carrying amounts of equity method investments are included in investments in the Condensed Consolidated Financial Statements. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. The difference between the carrying value and its estimated fair value is recognized as an impairment when the loss is deemed other than temporary.

The TPG funds are considered investment companies under Accounting Standards Codification ("ASC") Topic 946, *Financial Services – Investment Companies* ("ASC 946"). The Company, along with the TPG funds, applies the specialized accounting promulgated in ASC 946 and, as such, neither the Company nor the TPG funds consolidate wholly-owned, majority-owned and/or controlled portfolio companies. The TPG funds record all investments in the portfolio companies at fair value. Investments in publicly traded securities are generally valued at quoted market prices based upon the last sales price on the measurement date. Discounts are applied, where appropriate, to reflect restrictions on the marketability of the investment.

When observable prices are not available for investments, the general partners use the market and income approaches to determine fair value. The market approach consists of utilizing observable market data, such as current trading or acquisition multiples of comparable companies, and applying it to key financial metrics, such as earnings before interest, depreciation and taxes, of the portfolio company. The comparability of the identified set of comparable companies to the portfolio company, among other factors, is considered in the application of the market approach.

The general partners, depending on the type of investment or stage of the portfolio company's lifecycle, may also utilize a discounted cash flow analysis, an income approach, in combination with the market approach in determining fair value of investments. The income approach involves discounting projected cash flows of the portfolio company at a rate commensurate with the level of risk associated with those cash flows. In accordance with ASC Topic 820, *Fair Value Measurement* (“ASC 820”) market participant assumptions are used in the determination of the discount rate.

In applying valuation techniques used in the determination of fair value, the general partners assume a reasonable period of time for liquidation of the investment and take into consideration the financial condition and operating results of the underlying portfolio company, the nature of the investment, restrictions on marketability, market conditions, foreign currency exposures and other factors. In determining the fair value of investments, the general partners exercise significant judgment and use the best information available as of the measurement date. Due to the inherent uncertainty of valuations, the fair values reflected in the accompanying Condensed Consolidated Financial Statements may differ materially from values that would have been used had a readily available market existed for such investments and may differ materially from the values that may ultimately be realized.

Equity Method Investments – Other

The Company holds non-controlling, limited partnership interests in certain other partnerships in which it has significant influence over their operations. The Company uses the equity method of accounting for these interests whereby it records its proportionate share of the underlying income or losses of these entities in net gains (losses) from investment activities in the accompanying Condensed Consolidated Financial Statements. The carrying amounts of equity method investments are included in investments in the Condensed Consolidated Financial Statements. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. The difference between the carrying value and its estimated fair value is recognized as an impairment when the loss is deemed other than temporary and recorded in net gains (losses) from investment activities within the Condensed Consolidated Financial Statements.

Equity Method – Fair Value Option

The Company elects the fair value option for certain investments that would otherwise be accounted for using the equity method of accounting. Such election is irrevocable and is applied on an investment-by-investment basis at initial recognition. The fair value of such investments is based on quoted prices in an active market. Changes in the fair value of these equity method investments are recognized in net gains (losses) from investment activities in the Condensed Consolidated Financial Statements.

Equity Investments

The Company holds non-controlling ownership interests in which it does not have significant influence over their operations. The Company records such investments at fair value when there is a readily determinable fair value. For certain nonpublic partnerships without readily determinable fair values, the Company has elected to measure those investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Impairment is evaluated when significant changes occur that may impact the investee in an adverse manner. Impairment, if any, is recognized in net gains (losses) from investment activities in the Condensed Consolidated Financial Statements.

Non-Controlling Interests

Non-controlling interests consists of ownership interests held by third-party investors in certain entities that are consolidated, but not 100% owned. The aggregate of the income or loss and corresponding equity that is not owned by the Company is included in non-controlling interests in the Condensed Consolidated Financial Statements. Allocation of income to non-controlling interest holders is based on the respective entities’ governing documents.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Revenues

Revenues consisted of the following (in thousands):

	Three Months Ended March 31,	
	2023	2022
Management fees	**$ 250,559**	$ 204,808
Fee Credits	**(559)**	(8,328)
Monitoring fees	**2,756**	4,001
Transaction fees	**2,473**	29,209
Expense reimbursements and other	**56,242**	43,315
Total fees and other	**311,471**	273,005
Performance allocations	**315,707**	799,958
Capital interests	**15,967**	37,747
Total capital allocation-based income	**331,674**	837,705
Total revenues	**$ 643,145**	$ 1,110,710

Fees and Other

Fees and other are accounted for as contracts with customers under ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). The guidance for contracts with customers provides a five-step framework that requires the Company to (i) identify the contract with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when the Company satisfies its performance obligations. In determining the transaction price, the Company includes variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Revenue Streams	Customer	Performance Obligations satisfied over time or point in time[a]	Variable or Fixed Consideration	Revenue Recognition	Classification of Uncollected Amounts [b]
Management Fees	TPG funds, limited partners and other vehicles	Asset management services are satisfied over time (daily) because the customer receives and consumes the benefits of the advisory services daily	Consideration is variable since over time the management fee varies based on fluctuations in the basis of the calculation of the fee	Management fees are recognized each reporting period based on the value provided to the customer for that reporting period	Due from affiliates – unconsolidated VIEs
Monitoring Fees	Portfolio companies	In connection with the investment advisory services provided, the Company earns monitoring fees for providing oversight and advisory services to certain portfolio companies over time	Consideration is variable when based on fluctuations in the basis of the calculation of the fee Consideration is fixed when based on a fixed agreed-upon amount	Monitoring fees are recognized each reporting period based on the value provided to the customer for that reporting period	Due from affiliates – portfolio companies
Transaction Fees	Portfolio companies, third-parties and other vehicles	The company provides advisory services, debt and equity arrangements, and underwriting and placement services for a fee at a point in time	Consideration is fixed and is based on a point in time	Transaction fees are recognized on or shortly after the transaction is completed	Due from affiliates – portfolio companies Other assets - other
Incentive Fees	TPG funds and other vehicles	Investment management services performed over a period of time that result in achievement of minimum investment return levels	Consideration is variable since incentive fees are contingent upon the TPG Fund or vehicles achieving more than the stipulated investment threshold return	Incentive fees are recognized at the end of the performance measurement period if the investment performance is achieved	Due from affiliates – unconsolidated VIEs
Expense Reimbursements and other	TPG funds, portfolio companies and third-parties	Expense reimbursements incurred at a point in time relate to providing investment, management and monitoring services. Other revenue is performed over time.	Expense reimbursements and other are fixed consideration	Expense reimbursements and other are recognized as the expenses are incurred or services are rendered	Due from affiliates – portfolio companies and unconsolidated VIEs Other assets – other

(a) There were no significant judgments made in evaluating when a customer obtains control of the promised service for performance obligations satisfied at a point in time.
(b) See Note 10 to the Condensed Consolidated Financial Statements for amounts classified in due from affiliates.

Management Fees

The Company provides investment management services to the TPG funds, limited partners and other vehicles in exchange for a management fee. Management fees are determined quarterly based on an annual rate and are generally based upon a percentage of the capital committed or capital invested during the investment period. Thereafter, management fees are generally based on a percentage of actively invested capital or as otherwise defined in the respective management agreements. Since some of the factors that cause management fees to fluctuate are outside of the Company’s control, management fees are considered constrained and are not included in the transaction price until the uncertainty relating to the constraint is subsequently resolved. After the contract is established, management does not make any significant judgments in determining the transaction price.

Management fees earned generally range from 0.50% to 2.00% of committed capital during the commitment period and from 0.25% to 2.00% of actively invested capital after the commitment period or at an annual rate of fund gross assets, as defined in the respective partnership agreements of the TPG funds. Management fees charged to consolidated Public SPACs are eliminated in consolidation.

Monitoring Fees

The Company provides monitoring services to certain portfolio companies in exchange for a fee, which is recognized over time as services are rendered. After the monitoring contract is established, there are no significant judgments made in determining the transaction price.

Transaction Fees

The Company provides capital structuring and other advice to portfolio companies, third parties and other vehicles generally in connection with debt and equity arrangements, as well as underwriting and placement services for a fee at a point in time when the underlying advisory services rendered are complete. Transaction fees are separately negotiated for each transaction and are generally based on the underlying transaction value. After the contract is established, management makes no significant judgements when determining the transaction price.

Fee Credits

Under the terms of the management agreements with certain TPG funds, the Company is required to reduce management fees payable by funds by an agreed upon percentage of certain fees, including monitoring and transaction fees earned from portfolio companies (“Fee Credits”). Investment funds receive the benefit of Fee Credits only with respect to monitoring and transaction fees that are allocable to the fund’s investment in the portfolio company and not, for example, any fees allocable to capital invested through co-investment vehicles. Fee Credits are calculated after deducting certain costs incurred in connection with reimbursements of specialized operational services associated with providing specialized operations and consulting services to the funds and portfolio companies. Fee Credits are recognized by investment funds concurrently with the recognition of monitoring fees and transaction fees. Since Fee Credits are payable to investment funds, amounts of Fee Credits are generally applied as a reduction of the management fee that is otherwise billed to the investment fund. Fee Credits are recorded as a reduction of revenues in the Condensed Consolidated Statement of Operations. Fee Credits payable to investment funds are recorded in due to affiliates in the Condensed Consolidated Financial Statements. See Note 10 to the Condensed Consolidated Financial Statements.

Incentive Fees

The Company provides investment management services to certain TPG funds and other vehicles in exchange for a management fee as discussed above and, in some cases, an incentive fee when the Company is not entitled to performance allocations, as further discussed below. Incentive fees are considered variable consideration as these fees are subject to reversal, and therefore the recognition of such fees is deferred until the end of the measurement period when the performance-based incentive fees become fixed and determinable. After the contract is established, there are no significant judgments made when determining the transaction price. During the three months ended March 31, 2023 and 2022, the Company did not earn any incentive fees.

Expense Reimbursements and Other

In providing investment management and advisory services to TPG funds and monitoring services to the portfolio companies, TPG routinely contracts for services from third parties. In situations where the Company is viewed, for accounting purposes only, as having incurred these third-party costs on behalf of the TPG funds or portfolio companies, the cost of such services is presented net as a reduction of the Company’s revenues. In all other situations, the expenses and related reimbursements associated with these services are presented on a gross basis, which are classified as part of the Company’s expenses, and reimbursements of such costs are classified as expense reimbursements within revenues in the Condensed Consolidated Financial Statements. After the contract is established, there are no significant judgments made when determining the transaction price.

Capital Allocation-Based Income (Loss)

Capital allocation-based income (loss) is earned from the TPG funds when the Company has a general partner’s capital interest and is entitled to a disproportionate allocation of investment income (referred to hereafter as “performance allocations”). The Company records capital allocation-based income (loss) under the equity method of accounting assuming the fund was liquidated as of each reporting date pursuant to each TPG fund’s governing agreements. Accordingly, these general partner interests are accounted for outside of the scope of ASC 606.

Other arrangements surrounding contractual incentive fees through an advisory contract are separate and distinct and accounted for in accordance with ASC 606. In these incentive fee arrangements, the Company’s economics in the entity do not involve an allocation of capital. See discussion above regarding “Incentive Fees”.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Performance allocations are allocated to the general partners based on cumulative fund performance as of each reporting date, and after specified investment returns to the funds' limited partners are achieved. At the end of each reporting period, the TPG funds calculate and allocate the performance allocations that would then be due to the general partner for each TPG fund, pursuant to the TPG fund governing agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments (and the investment returns to the funds' limited partners) varies between reporting periods, it is necessary to make adjustments to amounts recorded as performance allocations to reflect either (i) positive performance resulting in an increase in the performance allocations allocated to the general partner or (ii) negative performance that would cause the amount due to the general partner to be less than the amount previously recognized, resulting in a negative adjustment to performance allocations allocated to the general partner. In each case, performance allocations are calculated on a cumulative basis and cumulative results are compared to amounts previously recorded with a current period adjustment, positive or negative, recorded.

The Company ceases to record negative performance allocations once previously recognized performance allocations for a TPG fund have been fully reversed, including realized performance allocations. The general partner is not obligated to make payments for guaranteed returns or hurdles of a fund and, therefore, cannot have negative performance allocations over the life of a fund. Accrued but unpaid performance allocations as of the reporting date are reflected in investments in the Company's Condensed Consolidated Financial Statements. Performance allocations received by the general partners of the respective TPG funds are subject to clawback to the extent the performance allocations received by the general partner exceed the amount the general partner is ultimately entitled to receive based on cumulative fund results. Generally, the actual clawback liability does not become due until eighteen months after the realized loss is incurred; however, individual fund terms vary. For disclosures at March 31, 2023 related to clawback, see Note 12 to the Condensed Consolidated Financial Statements. Revenue related to performance allocations for consolidated TPG funds is eliminated in consolidation.

The Company earns management fees, incentive fees and capital allocation-based income (loss) from investment funds and other vehicles whose primary focus is making investments in specified geographical locations and earns transaction and monitoring fees from portfolio companies located in varying geographies.

Investment Income

Income from equity method investments

The carrying value of equity method investments in proprietary investments where the Company exerts significant influence is generally determined based on the amounts invested, adjusted for the equity in earnings or losses of the investee allocated based on the Company's ownership percentage, less distributions and any impairment. The Company records its proportionate share of investee's equity in earnings or losses based on the most recently available financial information, which in certain cases may lag the date of TPG's financial statements by up to three calendar months. Income from equity method investments is recorded in net gains (losses) from investment activities on the Condensed Consolidated Financial Statements.

Income from equity method investments for which the fair value option was elected

Income from equity method investments for which the fair value option was elected includes realized gains and losses from the sale of investments, and unrealized gains and losses from changes in the fair value during the period as a result of quoted prices in an active market. Discounts are applied, where appropriate, to reflect restrictions on the marketability of the investment. Income from equity method investments for which the fair value option was elected is recorded in net gains (losses) from investment activities on the Condensed Consolidated Financial Statements.

Income from equity investments

Income from equity investments, which represent investments held through equity securities of an investee that the Company does not hold significant influence over, includes realized gains from the sale of investments and unrealized gains and losses result from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Income from equity investments is recorded in net gains (losses) from investment activities on the Condensed Consolidated Financial Statements.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Unrealized gains (losses) from derivative liabilities of Public SPACs

Unrealized gains (losses) from derivative liabilities of Public SPACs includes unrealized gains and losses from changes in fair value of warrants and forward purchase agreements ("FPAs").

Interest, dividends and other

Interest income is recognized as earned. Dividend income is recognized by the Company on the ex-dividend date, or in the absence of a formal declaration, on the date it is received.

Compensation and Benefits

Cash-based compensation and benefits includes (i) salaries and wages, (ii) benefits and (iii) discretionary cash bonuses. Bonuses are accrued over the service period to which they relate.

Compensation expense related to the issuance of equity-based awards is measured at grant-date fair value. Compensation expense for awards that vest over a future service period is recognized over the relevant service period on a straight-line basis. Compensation expense for awards that do not require future service is recognized immediately. Compensation expense for awards that contain market and service conditions is based on grant-date fair value that factors in the probability that the market conditions will be achieved and is recognized on a tranche by tranche basis using the accelerated attribution method. The requisite service period for those awards is the longer of the explicit service period and the derived service period. The Company recognizes equity-based award forfeitures in the period they occur as a reversal of previously recognized compensation expense.

Prior to the IPO, all performance allocation payments in the form of legal form equity made to the Company's partners were paid pro rata based on ownership percentages in the underlying investment partnership and accounted for as distributions on the equity held by such partners during such period. For the period in 2022 prior to the IPO, there were no performance allocations earned, allocated or distributed with respect to partnership interests. Performance allocation compensation expense and accrued performance allocation compensation is the portion of performance allocations that TPG allocates to certain of its employees and certain other advisors of the Company. Performance allocations due to our partners and professionals are accounted for as compensation expense in conjunction with the recognition of the related performance allocations and, until paid, are recognized as accrued performance allocation compensation. Accordingly, upon a reversal of performance allocations, the related compensation expense, if any, is also reversed.

Net Income (Loss) Per Share of Class A Common Stock

Basic income (loss) per share of Class A common stock is calculated by dividing net income (loss) attributable to TPG Inc. by the weighted-average shares of Class A common stock, unvested participating shares of Class A common stock outstanding for the period and vested deferred restricted shares of Class A common stock that have been earned for which issuance of the related shares of Class A common stock is deferred until future periods. Diluted income (loss) per share of Class A Common Stock reflects the impact of all dilutive securities. Unvested participating shares of common stock are excluded from the computation in periods of loss as they are not contractually obligated to share in losses.

The Company applies the treasury stock method to determine the dilutive weighted-average common shares represented by the unvested restricted stock units. The Company applies the if-converted method to the TPG Operating Group partnership units to determine the dilutive impact, if any, of the exchange right included in the TPG Operating Group partnership units.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on deposit with banks and other short-term investments with an initial maturity of 90 days or less. Restricted cash balances relate to cash balances reserved for the payment of interest on the Company's secured borrowings.

Cash and Cash Equivalents Held by Consolidated Public SPACs

Cash and cash equivalents held by consolidated Public SPACs represent cash and cash equivalents that are held by consolidated Public SPACs and are not available to fund the general liquidity needs of the Company.

Assets Held in Trust Accounts

Proceeds from equity issued by certain consolidated Public SPACs have been deposited into trust accounts ("Trust Accounts") and may only be utilized for specific purposes. Therefore, such cash and investments are reported separately in assets held in Trust Accounts on the Condensed Consolidated Financial Statements.

As of March 31, 2023 and December 31, 2022, TPG Pace Beneficial II Corp. ("YTPG") assets held in Trust Accounts were deposited into a non-interest-bearing U.S. based account. On April 17, 2023, YTPG used these funds to redeem its outstanding Class A ordinary shares, par value $0.0001 (the "Class A Shares"). See Note 10 to the Condensed Consolidated Financial Statements.

As of March 31, 2023 and December 31, 2022, AfterNext HealthTech Acquisition Corp. ("AFTR") assets held in Trust Accounts were invested in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U.S. government treasury obligations.

Derivative Liabilities of Public SPACs

Financial derivative assets and liabilities related to our consolidated Public SPACs' investment activities consist of warrant liabilities and forward purchase agreements.

The Company recognizes these derivative instruments as assets or liabilities at fair value in the accompanying Condensed Consolidated Financial Statements. Changes in the fair value of derivative contracts entered into by the Company are included in current period earnings. These derivative contracts are not designated as hedging instruments for accounting purposes.

These derivatives are agreements in which a consolidated Public SPAC and a counterparty agree to exchange cash flows based on agreed-upon terms. As a result of the derivative transaction, the Company is exposed to the risk that counterparties will fail to fulfill their contractual obligations. To mitigate such counterparty risk, the applicable Public SPAC only enters into contracts with major financial institutions, all of which have investment grade ratings. Counterparty credit risk is evaluated in determining the fair value of the derivative instruments. In the normal course of business, the Company incurs commitments and is exposed to risks resulting from its investment and financing transactions, including derivative instruments. The value of a derivative instrument is based upon an underlying instrument. These instruments are subject to various risks similar to non-derivative instruments including market, credit, liquidity, performance and operational risks. The Company manages these risks on an aggregate basis as part of its risk management policies and as such, does not distinguish derivative income or loss from any other category of instruments for financial statement presentation purposes. The leverage inherent in the Company's derivative instruments increases the sensitivity of the Company's earnings to market changes. Notional amounts often are used to express the volume of these transactions, but the amounts potentially subject to risk are much smaller. The Company routinely evaluates its contractual arrangements to determine whether embedded derivatives exist. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, if a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and if the combined instrument is not measured at fair value through profit or loss.

For derivative contracts where an enforceable master netting agreement is in place, the Company has elected to offset derivative assets and liabilities, as well as cash that may have been received or pledged, as part of collateral arrangements with the respective counterparty in the Condensed Consolidated Financial Statements. The master netting agreements provide the Company and the counterparty the right to liquidate collateral and the right to offset each other's obligations in the event of default by either party.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Certain of the Company's consolidated Public SPACs issued public warrants and FPAs in conjunction with their IPO. The Company accounts for warrants and FPAs of the consolidated Public SPAC's ordinary shares that are not indexed to its own stock as liabilities at fair value on the balance sheet. These warrants and FPAs are subject to remeasurement at each balance sheet date and any change in fair value is recognized in the Company's Condensed Consolidated Financial Statements. For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants and FPAs that do not meet all the criteria for equity classification, the warrants and FPAs are required to be recorded as a liability at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants and FPAs are recognized as a non-cash gain or loss on the Condensed Consolidated Financial Statements.

Fair Value Measurement

ASC 820 establishes a fair value hierarchy that prioritizes and ranks the level of observability of inputs used to measure the investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment, characteristics specific to the investment, market conditions and other factors. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets will typically have a higher degree of input observability and a lesser degree of judgment applied in determining fair value.

The three levels of the fair value hierarchy under ASC 820 are as follows:

Level I – Quoted prices (unadjusted) in active markets for identical investments at the measurement date are used. The types of investment generally included in Level I are publicly listed equities, debt and securities sold, not yet purchased.

Level II – Pricing inputs are other than quoted prices included within Level I that are observable for the investment, either directly or indirectly. Level II pricing inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, inputs other than quoted prices that are observable for the investment, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. The types of investments generally included in Level II are restricted securities listed in active markets, corporate bonds and loans.

Level III – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs used in determination of fair value require significant judgment and estimation. The types of investments generally included in Level III are privately held debt and equity securities.

In some cases, the inputs used to measure fair value might fall within different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the investment is categorized in its entirety is determined based on the lowest level input that is significant to the investment. Assessing the significance of a particular input to the valuation of an investment in its entirety requires judgment and considers factors specific to the investment. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the perceived risk of that investment.

In certain instances, an investment that is measured and reported at fair value may be transferred into or out of Level I, II, or III of the fair value hierarchy.

In certain cases, debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments and various relationships between investments. When a security is valued based on dealer quotes, the Company subjects those quotes to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level II or Level III investment. Some of the factors considered include the number and quality of quotes, the standard deviations of the observed quotes and the corroboration of the quotes to independent pricing services.

Level III investments may include common and preferred equity securities, corporate debt, and other privately issued securities. When observable prices are not available for these securities, one or more valuation techniques (e.g., the market approach and/or the income approach) for which sufficient and reliable data is available are used. Within Level III, the use of the market approach generally consists of using comparable market transactions or other data, while the use of the income approach generally utilizes the net present value of estimated future cash flows, adjusted, as appropriate, for liquidity, credit, market and other risk factors. Due to the inherent uncertainty of these valuations, the fair values reflected in the accompanying Condensed Consolidated Financial Statements may differ materially from values that would have been used had a readily available market for the investments existed and may differ materially from the values that may ultimately be realized. The period of time over which the underlying assets of the investments will be liquidated is unknown.

Financial Instruments

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Except for secured borrowings, the fair value of the Company’s assets and liabilities, including our senior unsecured term loan, which qualify as financial instruments under ASC 820, approximates the carrying amounts represented in the Condensed Consolidated Financial Statements due to their short-term nature and in the case of our senior unsecured term loan due to its variable rate nature. See Note 8 to the Condensed Consolidated Financial Statements.

Due From and Due To Affiliates

The Company considers current and former limited partners of funds and employees, including their related entities, entities controlled by the Company’s Founders but not consolidated by the Company, portfolio companies of TPG funds, and unconsolidated TPG funds to be affiliates (“Affiliates”). Receivables from and payables to affiliates are recorded at their expected settlement amount in due from and due to affiliates in the Condensed Consolidated Financial Statements.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of acquired identifiable net tangible and intangible assets. Goodwill is not amortized. Goodwill is reviewed for impairment at least annually utilizing a qualitative or quantitative approach, and more frequently if circumstances indicate impairment may have occurred. The impairment testing for goodwill under the qualitative approach is based first on a qualitative assessment to determine if it is more likely than not that the fair value of the Company’s reporting unit is less than its respective carrying value. If it is determined that it is more likely than not that a reporting unit’s fair value is less than its carrying value, the Company performs a quantitative analysis. When the quantitative approach indicates an impairment, an impairment loss is recognized to the extent by which the carrying value exceeds the fair value, not to exceed the total amount of goodwill. As of March 31, 2023, we believe it is more likely than not that the fair value of our reporting unit exceeds its carrying value.

Intangible Assets

The Company’s intangible assets consist of the fair value of its interests in future promote of certain funds and the fair value of acquired investor relationships representing the fair value of management fees earned from existing investors in future funds. Finite-lived intangible assets are amortized over their estimated useful lives, which range from five to twelve years, and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. Amortization expense is included in depreciation and amortization expense in the Condensed Consolidated Financial Statements.

Operating Leases

At contract inception, the Company determines if an arrangement contains a lease by evaluating whether (i) an identified asset has been deployed in a contract explicitly or implicitly and (ii) the Company obtains substantially all the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. Additionally, at contract inception the Company will evaluate whether the lease is an operating or finance lease. Right-of use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. To the extent these payments are fixed or determinable, they are included as part of the lease payments used to measure the lease liability. The Company's ROU assets are recognized as the initial measurement of the lease liabilities plus any initial direct costs and any prepaid lease payments less lease incentives received, if any. The lease terms may include options to extend or terminate the lease which are accounted for when it is reasonably certain that the Company will exercise that option. As the discount rate implicit to the lease is not readily determinable, incremental borrowing rates of the Company were used. The incremental borrowing rates are based on the information available including, but not limited to, collateral assumptions, the term of the lease, and the economic environment in which the lease is denominated at the commencement date.

The Company elected the package of practical expedients provided under the guidance. The practical expedient package applies to leases commenced prior to the adoption of the new standard and permits companies not to reassess whether existing or expired contracts are or contain a lease, the lease classification, and any initial direct costs for any existing leases. The Company has elected to not separate the lease and non-lease components within the contract. Therefore, all fixed payments associated with the lease are included in the ROU asset and the lease liability. These costs often relate to the fixed payments for a proportionate share of real estate taxes, common area maintenance and other operating costs in addition to a base rent. Any variable payments related to the lease are recorded as lease expense when and as incurred. The Company has elected this practical expedient for all lease classes. The Company did not elect the hindsight practical expedient. The Company has elected the short-term lease expedient. A short-term lease is a lease that, as of the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. For such leases, the Company will not apply the recognition requirements of ASC Topic 842, *Leases* ("ASC 842") and instead will recognize the lease payments as lease cost on a straight-line basis over the lease term. Additionally, the Company elected the practical expedient which allows an entity to not reassess whether any existing land easements are or contain leases.

The Company's leases primarily consist of operating leases for real estate, which have remaining terms of 1 to 10 years. Some of those leases include options to extend for additional terms ranging from 2 to 10 years. The Company's other leases, including those for office equipment, vehicles, and aircrafts, are not significant. Additionally, the Company's leases do not contain restrictions or covenants that restrict the Company from incurring other financial obligations. The Company also does not provide any residual value guarantees for the leases or have any significant leases that have yet to be commenced. From time to time, the Company enters into certain sublease agreements that have terms similar to the remaining terms of the master lease agreements between TPG and the landlord. Sublease income is recorded as an offset to general, administrative and other in the accompanying Condensed Consolidated Financial Statements.

Operating lease expense is recognized on a straight-line basis over the lease term and is recorded within general, administrative and other in the accompanying Condensed Consolidated Financial Statements (see Note 11 to the Condensed Consolidated Financial Statements).

Redeemable Equity from Consolidated Public SPACs

Redeemable equity from consolidated Public SPACs represents the shares issued by the Company's consolidated Public SPACs that are redeemable for cash by the public shareholders in the event of an election to redeem by individual public shareholders at the time of the business combination. The Company accounts for redeemable equity in accordance with ASC Topic 480-10-S99, *Distinguishing Liabilities from Equity* ("ASC 480"), which states redemption provisions not solely within the control of the Company require ordinary shares subject to redemption to be classified outside of permanent equity. The redeemable non-controlling interests are initially recorded at their original issuance price and are subsequently allocated their proportionate share of the underlying gains or losses of the Public SPACs. The Company adjusts the redeemable equity to full redemption value on a quarterly basis.

If a Public SPAC is unable to complete a business combination within the time period required by its governing documents, this equity becomes redeemable and is reclassified out of redeemable equity and into Public SPAC current redeemable equity in accordance with ASC 480 as the Public SPAC prepares for dissolution.

Income Taxes

As a result of the Reorganization, the Company is treated as a corporation for U.S. federal and state income tax purposes. The Company is subject to U.S. federal and state income taxes, in addition to local and foreign income taxes, with respect to our allocable share of taxable income generated by the TPG Operating Group partnerships. Prior to the Reorganization and the IPO, the Company was treated as a partnership for U.S. federal income tax purposes and therefore was not subject to U.S. federal and state income taxes except for certain consolidated subsidiaries that were subject to taxation in the U.S. (federal, state and local) and foreign jurisdictions as a result of their entity classification for tax reporting purposes. The provision for income taxes in the historical Condensed Consolidated Financial Statements consists of U.S. (federal, state and local) and foreign income taxes with respect to certain consolidated subsidiaries.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period in which the enactment date occurs.

Under ASC Topic 740, *Income Taxes*, a valuation allowance is established when management believes it is more likely than not that a deferred tax asset will not be realized. The realization of deferred tax assets is dependent on the amount of our future taxable income. When evaluating the realizability of deferred tax assets, all evidence (both positive and negative) is considered. This evidence includes, but is not limited to, expectations regarding future earnings, future reversals of existing temporary tax differences and tax planning strategies.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions including evaluating uncertainties. The Company reviews its tax positions quarterly and adjusts its tax balances as new information becomes available. The Company recognizes interest and penalties relating to unrecognized tax benefits as income tax expense (benefit) within the Condensed Consolidated Financial Statements.

Recent Accounting Pronouncements

In June 2022, the FASB issued Accounting Standard Update ("ASU") 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* ("ASU 2022-03") which (1) clarifies the guidance in ASC 820 on the fair value measurement of an equity security that is subject to a contractual sale restriction and (2) requires specific disclosures related to such an equity security. Under current guidance, stakeholders have observed diversity in practice related to whether contractual sale restrictions should be considered in the measurement of the fair value of equity securities that are subject to such restrictions. The amendments in ASU 2022-03 should be applied to equity securities with a contract containing a sale restriction that is executed or modified on or after the adoption date. For equity securities with a contract containing a sale restriction that was executed before the adoption date, companies should continue to apply the historical accounting policy for measuring such securities until the contractual restriction expires or is modified. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years, with early adoption permitted. The Company's adoption of ASU 2022-03 on a prospective basis beginning January 1, 2023 did not have a material impact to its Condensed Consolidated Financial Statements.

3. Acquisition

In January 2022, the Company completed its acquisition of the remaining 33.3% interest in NewQuest Holdings (Cayman) Limited ("NQ Manager") in exchange for equity interests in the Company, which consisted of 1,638,866 shares of Class A common stock and 1,072,998 Common Units of the TPG Operating Group. All of the granted equity interests are subject to a three-year service vesting condition and as such, will be recognized on a straight-line basis as post-combination compensation expense. The effect of the acquisition was a reallocation of equity between controlling and non-controlling interest of $33.6 million. This transaction was an acquisition under common control in which no gain or loss was recognized.

For additional information on the Acquisition, see Note 3 to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

4. Investments

Investments consist of the following (in thousands):

	March 31, 2023	December 31, 2022
Equity method - performance allocations	**$ 4,839,966**	$ 4,677,017
Equity method - capital interests (includes assets pledged of **$488,655** and $475,110)	**631,171**	607,964
Equity method - fair value option	**38,281**	20,907
Equity method - other	**11,638**	11,908
Equity investments	**9,785**	12,072
Total investments	**$ 5,530,841**	$ 5,329,868

Net gains (losses) from performance allocations and capital interests are disclosed in the Revenue section of Note 2 to the Condensed Consolidated Statements of Operations. The following table summarizes net gains from investment activities (in thousands):

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net gains (losses) from investment activities		
Net gains of equity method investments, fair value option	**$ 17,375**	$ 7,888
Net (losses) gains of equity method investments - other	**(271)**	228
Net losses from equity investments	**(2,288)**	(1,473)
Total net gains from investment activities	**$ 14,816**	$ 6,643

Equity Method Investments, Fair Value Option

As of March 31, 2023 and December 31, 2022, the Company held a 8.9% and 9.0% beneficial ownership interest in Nerdy Inc. ("NRDY"), respectively, consisting of 7.7 million shares of Class A common stock, 4.0 million earnout shares and 4.9 million earnout warrants, with an aggregate fair value of $38.3 million and $20.9 million, respectively. The warrants entitle the Company to acquire one share of Class A common stock at a price of $11.50 per share and expire on September 20, 2026. The earnout shares and warrants are contingent upon NRDY achieving certain market share price milestones or in the event of a change of control, within five years after September 20, 2021.

Equity Method Investments

The Company evaluates its equity method investments in which it has not elected the fair value option for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. During the three months ended March 31, 2023 and 2022, the Company did not recognize any impairment losses on an equity method investment without a readily determinable fair value.

Equity Investments

Equity investments represent proprietary investment securities held by the Company. At March 31, 2023 and December 31, 2022, the Company held equity investments with readily determinable fair values of $9.8 million and $12.1 million, respectively.

5. Derivative Instruments

The consolidated Public SPACs enter into derivative contracts in connection with their proprietary trading activities, including warrants and FPAs, which meet the definition of a derivative in accordance with ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). As a result of the use of derivative contracts, the consolidated Public SPACs are exposed to the risk that counterparties will fail to fulfill their contractual obligations and are exposed to the volatility of the underlying instruments. These warrants and FPAs are included in derivative liabilities of Public SPACs on the Condensed Consolidated Statements of Financial Condition. As of March 31, 2023 and December 31, 2022, the Company did not hold any FPAs.

As of March 31, 2023 and December 31, 2022, the fair value of the warrants totaled $1.4 million and $0.7 million, respectively.

There were no related offsets or cash collateral pledged or received for the warrants as of March 31, 2023 and December 31, 2022.

For the three months ended March 31, 2023, the Company recorded unrealized losses on warrants totaling $0.8 million. For the three months ended March 31, 2022, the Company recorded unrealized gains on warrants and FPAs totaling $2.7 million.

Net gains (losses) on derivative instruments are included in the Condensed Consolidated Statements of Operations as unrealized gains (losses) on derivative liabilities of Public SPACs. The following are net (losses) gains recognized on derivative instruments of Public SPACs (in thousands):

	Three Months Ended March 31,	
	2023	**2022**
Unrealized (losses) gains, net on public warrants	**$ (750)**	$ 3,682
Unrealized losses, net on forward purchase agreements	**—**	(1,025)
Net (losses) gains on derivative instruments	**$ (750)**	$ 2,657

6. Fair Value Measurement

The following tables summarize the valuation of the Company's Level I financial assets and liabilities that fall within the fair value hierarchy (in thousands):

	March 31, 2023	December 31, 2022
Assets		
Equity method investments - fair value option	**$ 38,281**	$ 20,907
Equity investments	**9,785**	12,072
Total assets	**$ 48,066**	$ 32,979
Liabilities		
Liabilities of consolidated Public SPACs:		
Public warrants	**$ 1,417**	$ 667
Total liabilities	**$ 1,417**	$ 667

As of March 31, 2023 and December 31, 2022, the Company did not hold any Level II or Level III financial instruments. The valuation methodology used in the determination of the changes in fair value of financial instruments for which Level III inputs were used at March 31, 2022 included a combination of the market approach and income approach.

The following tables summarize the changes in the fair value of financial instruments for which the Company has used Level III inputs to determine fair value (in thousands):

	Three Months Ended March 31,	
	2023	2022
Derivative liabilities		
Balance, beginning of period	**$ —**	$ 1,386
Unrealized losses, net	**—**	1,025
Balance, end of period	**$ —**	$ 2,411

Total realized and unrealized gains and losses recorded for Level III investments are reported in unrealized gains (losses) on derivative liabilities of Public SPACs in the Condensed Consolidated Statements of Operations.

7. Variable Interest Entities

TPG consolidates VIEs in which it is considered the primary beneficiary as described in Note 2 to the Condensed Consolidated Financial Statements. TPG's investment strategies differ by TPG fund; however, the fundamental risks have similar characteristics, including loss of invested capital and loss of management fees and performance allocations. The Company does not provide performance guarantees and has no other financial obligation to provide funding to consolidated VIEs other than its own capital commitments.

The assets of consolidated VIEs may only be used to settle obligations of these consolidated VIEs. In addition, there is no recourse to the Company for the consolidated VIEs' liabilities.

The Company holds variable interests in certain VIEs which are not consolidated as it is determined that the Company is not the primary beneficiary. The Company's involvement with such entities is in the form of direct equity interests and fee arrangements. The fundamental risks have similar characteristics, including loss of invested capital and loss of management fees and performance allocations. Accordingly, disaggregation of TPG's involvement by type of VIE would not provide more useful information. TPG may have an obligation as general partner to provide commitments to unconsolidated VIEs. For the three months ended March 31, 2023 and 2022, TPG did not provide any amounts to unconsolidated VIEs other than its obligated commitments.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The maximum exposure to loss represents the loss of assets recognized by TPG relating to non-consolidated entities and any amounts due to non-consolidated entities.

The assets and liabilities recognized in the Company's Condensed Consolidated Statements of Financial Condition related to its interest in these non-consolidated VIEs and its maximum exposure to loss relating to non-consolidated VIEs were as follows (in thousands):

	March 31, 2023	December 31, 2022
Investments (includes assets pledged of **$488,655** and $475,110)	**$ 5,471,137**	$ 5,284,981
Due from affiliates	**88,687**	88,847
VIE-related assets	**5,559,824**	5,373,828
Potential clawback obligation	**1,861,049**	1,869,395
Due to affiliates	**83,578**	47,572
Maximum exposure to loss	**$ 7,504,451**	$ 7,290,795

RemainCo

In conjunction with the Reorganization described in Note 1 to the Condensed Consolidated Financial Statements, the TPG Operating Group and RemainCo entered into certain agreements to effectuate the go-forward relationship between the entities. The arrangements discussed below represent the TPG Operating Group's variable interests in RemainCo, which do not provide the TPG Operating Group with the power to direct the activities that most significantly impact RemainCo's performance and operations. As a result, RemainCo represents a non-consolidated VIE.

RemainCo Administrative Services Agreement

The TPG Operating Group has entered into an administrative services agreement with RemainCo whereby the TPG Operating Group provides RemainCo with certain administrative services, including maintaining RemainCo's books and records, tax and financial reporting and similar support which began on January 1, 2022. In exchange for these services, RemainCo pays the TPG Operating Group an annual administration fee in the amount of 1% per annum of the net asset value of RemainCo's assets, with such amount payable quarterly in advance and recorded in expense reimbursements and other within revenues in the Condensed Consolidated Statements of Operations..

Securitization Vehicles

Certain subsidiaries of the Company issued $250.0 million in privately placed securitization notes. The Company used one or more special purpose entities that are considered VIEs to issue notes to third-party investors in the securitization transactions.

As of March 31, 2023 and December 31, 2022, the carrying amount of secured notes issued by the VIEs was $245.3 million, and is shown in the Company's Condensed Consolidated Statements of Financial Condition as debt obligations, net of unamortized issuance costs of $4.7 million.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The following table depicts the total assets and liabilities related to VIE securitization transactions included in the Company’s Condensed Consolidated Statements of Financial Condition (in thousands):

	March 31, 2023	December 31, 2022
Cash and cash equivalents	**$ 44,515**	$ 33,612
Restricted cash	**13,277**	13,166
Participation rights receivable [a]	**488,655**	475,110
Due from affiliates	**1,039**	436
Total assets	**$ 547,486**	$ 522,324
Accrued interest	**$ 3,450**	$ 191
Due to affiliates and other	**588**	280
Secured borrowings, net	**245,336**	245,259
Total liabilities	**$ 249,374**	$ 245,730

(a) Participation rights receivable related to VIE securitization transactions are included in investments in the Company’s Condensed Consolidated Statements of Financial Condition.

8. Debt Obligations

The following table summarizes the Company’s and its subsidiaries’ debt obligations (in thousands):

				As of March 31, 2023		As of December 31, 2022	
	Debt Origination Date	Maturity Date	Borrowing Capacity	Carrying Value	Interest Rate	Carrying Value	Interest Rate
Senior Unsecured Revolving Credit Facility [a]	March 2011	July 2027	$ 700,000	**$ —**	**5.90 %**	$ —	5.46 %
Subordinated Credit Facility [b]	August 2014	August 2024	30,000	**—**	**7.15 %**	—	6.71 %
Senior Unsecured Term Loan [c]	December 2021	December 2024	200,000	**199,397**	**5.90 %**	199,307	5.46 %
Secured Borrowings - Tranche A [d]	May 2018	June 2038	200,000	**196,248**	**5.33 %**	196,186	5.33 %
Secured Borrowings - Tranche B [d]	October 2019	June 2038	50,000	**49,088**	**4.75 %**	49,073	4.75 %
Total debt obligations			$ 1,180,000	**$ 444,733**		$ 444,566	

(a) In July 2022, TPG Operating Group II, L.P., as borrower, entered into a fifth amendment and restatement of its senior unsecured revolving credit facility (the “Amended Senior Unsecured Revolving Credit Facility”) to among other things, (i) extend the maturity date of the revolving credit facility from November 2025 to July 2027, (ii) increase the aggregate revolving commitments thereunder from $300.0 million to $700.0 million and (iii) replace the London Interbank Offered Rate (“LIBOR”) as the applicable reference rate with the Secured Overnight Financing Rate (“SOFR”) and otherwise conform the credit facility to accommodate SOFR as the reference rate. Dollar-denominated principal amounts outstanding under the Amended Senior Unsecured Revolving Credit Facility accrue interest, at the option of the applicable borrower, either (i) at a base rate plus applicable margin not to exceed 0.25% per annum or (ii) at a term SOFR rate plus a 0.10% per annum adjustment and an applicable margin not to exceed 1.25%. The Company is also required to pay a quarterly commitment fee on the unused commitments under the Amended Senior Unsecured Revolving Credit Facility not to exceed 0.15% per annum, as well as certain customary fees for any issued letters of credit. In August 2022, the Company entered into a first amendment to the Amended Senior Unsecured Revolving Credit Facility, which provides that if the Company is not publicly rated, the applicable margin for borrowings under the facility may be determined using the Company’s leverage ratio.

(b) A consolidated subsidiary of the Company entered into two $15.0 million subordinated revolving credit facilities (collectively, the “Subordinated Credit Facility”), for a total commitment of $30.0 million. The Subordinated Credit Facility is available for direct borrowings and is guaranteed by certain members of the TPG Operating Group. In August 2022, the subsidiary extended the maturity date of the Subordinated Credit Facility

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

from August 2023 to August 2024 and replaced LIBOR as the applicable reference rate with SOFR, and otherwise conforms the agreements to accommodate SOFR as the reference rate.

(c) In December 2021, the Company entered into a credit agreement (the "Senior Unsecured Term Loan Agreement"). In July 2022, the Company entered into an amended and restated term loan agreement (the "Amended Senior Unsecured Term Loan Agreement"). The Amended Senior Unsecured Term Loan Agreement, among other things, replaces LIBOR as the applicable reference rate with SOFR, and otherwise conforms the term loan agreement to accommodate SOFR as the reference rate. Principal amounts outstanding under the Amended Senior Unsecured Term Loan Agreement accrue interest, at the option of the borrower, either (i) at a base rate plus an applicable margin of 0.00% or (ii) at a term SOFR rate plus a 0.10% per annum adjustment and an applicable margin of 1.00%.

(d) The Company's secured borrowings are issued using on-balance sheet securitization vehicles, as further discussed in Note 7 to the Condensed Consolidated Financial Statements. The secured borrowings are repayable only from collections on the underlying securitized equity method investments and restricted cash. The secured borrowings are separated into two tranches. Tranche A secured borrowings were issued in May 2018 at a fixed rate of 5.33% with an aggregate principal balance of $200.0 million due June 21, 2038, with interest paid semiannually. Tranche B secured borrowings were issued in October 2019 at a fixed rate of 4.75% with an aggregate principal balance of $50.0 million due June 21, 2038, with interest paid semiannually. The secured borrowings contain an optional redemption feature giving the Company the right to call the notes in full or in part. If the secured borrowings are not redeemed on or prior to June 20, 2028, the Company is required to pay additional interest equal to 4.00% per annum. The secured borrowings contain covenants and conditions customary in transactions of this nature, including negative pledge provisions, default provisions and operating covenants, limitations on certain consolidations, mergers and sales of assets. At March 31, 2023, the Company is in compliance with these covenants and conditions.

During the three months ended March 31, 2023 and 2022, the Company incurred interest expense of $6.2 million and $4.0 million, respectively, on its debt obligations.

At March 31, 2023 and December 31, 2022, the fair value of the Company's senior unsecured term loan was $199.3 million and $199.2 million, respectively, which approximates its carrying amount represented in the Condensed Consolidated Statements of Financial Condition due to its variable rate nature.

At March 31, 2023 and December 31, 2022, the estimated fair value of the secured borrowings based on current market rates and credit spreads for debt with similar maturities was $237.4 million and $231.5 million, respectively, and the carrying value, excluding unamortized issuance costs, was $250.0 million at March 31, 2023 and December 31, 2022.

On April 14, 2023, a consolidated subsidiary of the Company entered into a 364-day revolving credit facility (the "364-Day Credit Facility"), providing the subsidiary with revolving borrowings of up to $150.0 million. The Company entered into an equity commitment letter in connection with the 364-Day Credit Facility, committing to provide capital contributions to the consolidated subsidiary throughout the life of the facility.

9. Income Taxes

As a result of the Reorganization, the Company is treated as a corporation for U.S. federal and state income tax purposes. The Company is subject to U.S. federal and state income taxes, in addition to local and foreign income taxes, with respect to its allocable share of taxable income generated by the TPG Operating Group partnerships. Prior to the Reorganization, the Company was treated as a partnership for U.S. federal income tax purposes and therefore was not subject to U.S. federal and state income taxes except for certain consolidated subsidiaries that were subject to taxation in the U.S. (federal, state and local) and foreign jurisdictions as a result of their entity classification for tax reporting purposes.

As of March 31, 2023, the Company has recognized net deferred tax assets before the considerations of valuation allowances in the amount of $118.1 million which primarily relate to excess income tax basis versus book basis differences in connection with the Company's investment in the TPG Operating Group partnerships. The excess of income tax basis in the TPG Operating Group partnerships was primarily due to the Reorganization which resulted in a step-up in the tax basis of certain assets to the Company that will be recovered as those underlying assets are sold or the tax basis is amortized. A portion of the excess income tax basis in the TPG Operating Group partnerships will only reverse upon a sale of the Company's interest in the TPG Operating Group partnerships which is not expected to occur in the foreseeable future. As a result, the Company has recognized a valuation allowance in the amount of $79.9 million against its net deferred tax assets of $118.1 million (resulting in net deferred tax assets after valuation allowance of $38.2 million) as of March 31, 2023, as it is more-likely-than not that this portion of our deferred tax assets is not realizable. The Company evaluates the realizability of its deferred tax asset on a quarterly basis and adjusts the valuation allowance when it is more-likely-than-not that all or a portion of the deferred tax asset may not be realized. Additionally, the Company recorded a payable pursuant to the Tax Receivable Agreement within other liabilities in the Condensed Consolidated Statements of Financial Condition of $26.4 million, related to the Reorganization and subsequent exchanges of TPG Operating Group partnership units for common stock.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The Company's effective tax rate was 25.3% and 8.4% for the three months ended March 31, 2023 and 2022, respectively. The Company's effective tax rate is dependent on many factors, including the estimated amount of income subject to tax. Consequently, the effective tax rate can vary from period to period. The Company's overall effective tax rate in each of the periods described above deviates from the statutory rate primarily because a portion of income and losses are allocated to non-controlling interests, and the tax liability on such income or loss is borne by the holders of such non-controlling interests.

Applicable accounting standards provide that the Company may estimate an annual effective tax rate and apply that rate to year-to-date income for each interim period. However, because the Company's forecast of income before taxes is highly variable due to changes in market conditions, the actual effective income tax rate for the year-to-date period represents a better estimate of the consolidated annual effective income tax rate. Accordingly, for the three months ended March 31, 2023 and 2022, the actual consolidated effective income tax rate was used to determine the Company's income tax provision.

During the three months ended March 31, 2023 and 2022, there were no material changes to the uncertain tax positions and the Company does not expect there to be any material changes to uncertain tax positions within the next twelve months. The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by U.S. federal, state, local and foreign tax authorities. Although the outcome of tax audits is always uncertain, the Company does not believe the outcome of any future audit will have a material adverse effect on the Company's Condensed Consolidated Financial Statements.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was enacted in the United States. The IRA, among other things, includes a 15% minimum tax on adjusted financial statement income of corporations with average annual adjusted financial statement income in excess of $1 billion over a three-year period, a 1% excise tax on stock repurchases and additional clean energy tax incentives for tax years beginning after December 31, 2022. The Company does not expect the IRA to have a material impact to its consolidated financial statements based on analysis of the law in its current form. The Company will continue to evaluate its future impact if additional guidance is issued by the U.S. Department of the Treasury.

10. Related Party Transactions

Due from and Due to Affiliates

Due from affiliates and due to affiliates consist of the following (in thousands):

	March 31, 2023	December 31, 2022
Portfolio companies	**$ 58,189**	$ 57,492
Partners and employees	**2,535**	2,270
Other related entities	**43,731**	54,030
Unconsolidated VIEs	**88,687**	88,847
Due from affiliates	**$ 193,142**	$ 202,639
Portfolio companies	**$ 8,811**	$ 10,367
Partners and employees	**60,892**	60,309
Other related entities	**79,534**	21,615
Unconsolidated VIEs	**83,578**	47,572
Due to affiliates	**$ 232,815**	$ 139,863

Affiliate receivables and payables historically have been settled in the normal course of business without formal payment terms, generally do not require any form of collateral and do not bear interest.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Fund Investments

Certain of the Company’s investment professionals and other individuals have made discretionary investments of their own capital in the TPG funds. These investments are generally not subject to management fees or performance allocations at the discretion of the general partner. Investments made by these individuals during the three months ended March 31, 2023 and 2022 totaled $13.1 million and $30.8 million, respectively.

Fee Income from Affiliates

Substantially all revenues are generated from TPG funds, limited partners of TPG funds, or portfolio companies. The Company disclosed revenues in Note 2 to the Condensed Consolidated Financial Statements.

Notes Receivable from Affiliates

From time to time, the Company makes loans to its employees and other affiliates. Certain of these loans are collateralized by underlying investment interests of the borrowers. The outstanding balance of these notes was $1.6 million as of March 31, 2023 and December 31, 2022, which is included in other assets in the Condensed Consolidated Statements of Financial Condition.

These notes generally incur interest at floating rates, and such interest, which is included in interest, dividends and other in the Condensed Consolidated Statements of Operations, totaled less than $0.1 million for each of the three months ended March 31, 2023 and 2022.

Aircraft Services

The Company terminated its leases of aircraft owned by entities controlled by certain partners of the Company in January 2022. The termination of the leases resulted in the derecognition of a right-of-use asset and a corresponding lease liability of $13.6 million.

RemainCo Administrative Services Agreement

In exchange for services provided by TPG Operating Group, RemainCo pays TPG Operating Group an annual administration fee in the amount of 1% per annum of the net asset value of RemainCo’s assets, with such amount payable quarterly in advance. The fees earned by the Company for the three months ended March 31, 2023 and 2022 were $4.6 million and $5.1 million, respectively, and recorded in expense reimbursements and other within revenues in the Condensed Consolidated Statements of Operations.

Other Related Party Transactions

The Company has entered into contracts to provide services or facilities for a fee with certain related parties. A portion of these fees are recognized as expense reimbursements and other within revenues in the Condensed Consolidated Statements of Operations in the amount of $7.4 million and $5.5 million for the three months ended March 31, 2023 and 2022, respectively. During the three months ended March 31, 2023 and 2022, these related parties have made payments associated with these arrangements of $8.9 million and $7.4 million, respectively.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Investments in SPACs

The Company invests in and sponsors SPACs that are formed for the purposes of effecting a merger, asset acquisition, stock purchase, reorganization or other business combination. In the IPO of each of these SPACs, either common shares or units (which include one Class A ordinary share and, in some cases, a fraction of a redeemable public warrant which entitles the holder to purchase one share of Class A ordinary shares at a fixed exercise price) are sold to investors. Each SPAC provides its public shareholders the option to redeem their shares either (i) in connection with a shareholder meeting to approve the business combination or (ii) by means of a tender offer. Assets held in Trust Accounts relate to gross proceeds received from the IPO and can only be used for the initial business combination and any possible investor redemptions. If the SPAC is unable to complete a business combination within a specified time frame, typically within 24 months of the IPO close date, the SPACs will redeem all public shares. The ownership interest in each SPAC which is not owned by the Company is reflected as redeemable equity attributable to Public SPACs in the accompanying Condensed Consolidated Statements of Financial Condition.

The Company consolidates these SPACs during the period before the initial business combination, and therefore the Class F ordinary shares, Class G ordinary shares, private placement shares, private placement warrants and FPAs with consolidated related parties are eliminated in consolidation.

In August 2021, AFTR, a SPAC, completed an initial public offering. AFTR sold 25,000,000 units at a price of $10.00 per unit for total IPO proceeds of $250.0 million. Each unit consists of one Class A ordinary share of AFTR at $0.0001 par value and one-third of one warrant.

In April 2021, YTPG, a SPAC, completed an initial public offering. YTPG sold 40,000,000 shares at a price of $10.00 per share for total IPO proceeds of $400.0 million. Each share consists of one Class A ordinary share of YTPG at $0.0001 par value. Prior to the IPO, YTPG entered into FPAs for an aggregate purchase price of $175.0 million, of which the Company is responsible for $24.9 million as of March 31, 2023.

As of March 31, 2023, YTPG held cash in trust in non-interest-bearing U.S. based account of $400.0 million, which was available for distribution to the shareholders. On April 17, 2023, YTPG redeemed all of its Class A Shares at a per-share redemption price of approximately $10.00, because YTPG did not consummate an initial business combination within the time period required by its Amended and Restated Memorandum and Articles of Association. As of April 17, 2023, the Class A Shares were deemed cancelled and represented only the right to receive the Redemption Amount. FPAs entered into by YTPG at the time of its IPO were terminated on April 17, 2023. After April 17, 2023, YTPG ceased all operations except for those required to wind up its business.

11. Operating Leases

The following tables summarize the Company’s lease cost, cash flows, and other supplemental information related to its operating leases.

The components of lease expense were as follows (in thousands):

	Three Months Ended March 31,	
	2023	**2022**
Lease cost [a]:		
Operating lease cost	**$ 6,631**	$ 6,476
Short-term lease costs	**133**	205
Variable lease cost	**1,791**	1,171
Sublease income	**(816)**	(1,532)
Total lease cost	**$ 7,739**	$ 6,320
Weighted-average remaining lease term	**6.7**	7.2
Weighted-average discount rate	**4.16 %**	4.09 %

(a) Office rent expense for the three months ended March 31, 2023 and 2022 was $6.6 million and $6.4 million, respectively.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Supplemental Condensed Consolidated Statements of Cash Flows information related to leases were as follows (in thousands):

	Three Months Ended March 31,	
	2023	**2022**
Cash paid for amounts included in the measurement of lease liabilities	**$ 7,523**	$ 6,667
Non-cash right-of-use assets obtained in exchange for new operating lease liabilities	**216**	2,124
Non-cash right-of-use assets and lease liability termination	**—**	(13,554)

The following table shows the undiscounted cash flows on an annual basis for operating lease liabilities as of March 31, 2023 (in thousands):

Year Due	Lease Amount
Remainder of 2023	**$ 13,464**
2024	**24,002**
2025	**28,098**
2026	**19,971**
2027	**18,556**
Thereafter	**63,362**
Total future undiscounted operating lease payments	**167,453**
Less: imputed interest	**(25,284)**
Present value of operating lease liabilities	**$ 142,169**

12. Commitments and Contingencies

Guarantees

Certain of the Company's consolidated entities have guaranteed debt or obligations. At March 31, 2023 and December 31, 2022, the maximum obligations guaranteed under these agreements totaled $1,131.1 million and $1,120.8 million, respectively. At March 31, 2023, the guarantees had expiration dates as follows (in thousands):

Maturity Date	Guarantee Amount
August 2024	**$ 30,000**
December 2024	**200,000**
June 2026	**60,000**
December 2026	**105,363**
July 2027	**700,000**
June 2030	**35,784**
Total	**$ 1,131,147**

At March 31, 2023 and December 31, 2022, the outstanding amount of debt on obligations related to these guarantees was $276.7 million and $327.8 million, respectively.

Letters of Credit

The Company had $0.5 million in letters of credit outstanding at March 31, 2023 and December 31, 2022.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Commitments

At March 31, 2023, the third party investors of the consolidated Public SPACs had unfunded capital commitments of $150.1 million to the consolidated Public SPACs.

At March 31, 2023, the TPG Operating Group had unfunded investment commitments of $339.3 million to the TPG funds, consolidated Public SPACs and other strategic investments.

Contingent Obligations (Clawback) With Affiliates

The governing agreements of the TPG funds that pay performance allocations generally include a clawback provision that, if triggered, may give rise to a contingent obligation requiring the general partner to return amounts to the fund for distribution to the fund investors at the end of the life of the fund. Performance allocations received by the general partners of the respective TPG funds are subject to clawback to the extent the performance allocations received by the general partners exceeds the amount the general partners are ultimately entitled to receive based on cumulative fund results.

At March 31, 2023, if all investments held by the TPG funds were liquidated at their current unrealized fair value, there would be clawback of $58.3 million, net of tax, for which a performance fee reserve was recorded within other liabilities in the Condensed Consolidated Statements of Financial Condition.

At March 31, 2023, if all remaining investments were deemed worthless, a possibility management views as remote, the amount of performance allocations subject to potential clawback would be $1,861.0 million.

During the three months ended March 31, 2023, the general partners made no payments on the clawback liability.

Legal Actions and Other Proceedings

From time to time, the Company is involved in legal proceedings, litigation and claims incidental to the conduct of our business, including with respect to acquisitions, bankruptcy, insolvency and other types of proceedings. Such lawsuits may involve claims against our portfolio companies that adversely affect the value of certain investments owned by TPG's funds. The Company's business is also subject to extensive regulation, which has and may result in the Company becoming subject to examinations, inquiries and investigations by various U.S. and non-U.S. governmental and regulatory agencies, including but not limited to the SEC, Department of Justice, state attorneys general, Financial Industry Regulatory Authority and the U.K. Financial Conduct Authority. Such examinations, inquiries and investigations may result in the commencement of civil, criminal or administrative proceedings or fines against the Company or its personnel.

The Company accrues a liability for legal proceedings in accordance with U.S. GAAP, in particular, the Company establishes an accrued liability for loss contingencies when a settlement arising from a legal proceeding is both probable and reasonably estimable. If the matter is not probable or reasonably estimable, no such liability is recorded. Examples of this include: (i) the proceedings may be in early stages; (ii) damages sought may be unspecified, unsupportable, unexplained or uncertain; (iii) discovery may not have been started or is incomplete; (iv) there may be uncertainty as to the outcome of pending appeals or motions; (v) there may be significant factual issues to be resolved or (vi) there may be novel legal issues or unsettled legal theories to be presented or a large number of parties. Consequently, management is unable to estimate a range of potential loss, if any, related to such matters. Even when the Company accrues a liability for a loss contingency such cases, there may be an exposure to loss in excess of any amounts accrued. Loss contingencies may be, in part or in whole, subject to insurance or other payments such as contributions and/or indemnity, which may reduce any ultimate loss.

Based on information presently known by management, the Company has not recorded a potential liability related to any pending legal proceeding and is not subject to any legal proceedings that we expect to have a material impact on our operations, financial positions or cash flows. It is not possible, however, to predict the ultimate outcome of all pending legal proceedings, and the claimants in the matter discussed below seek potentially large and indeterminate amounts. As such, although we do not consider such an outcome likely, given the inherent unpredictability of legal proceedings, it is possible that an adverse outcome in the matter described below or certain other matters could have a material effect on the Company's financial results in any particular period.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Since 2011, a number of TPG-related entities and individuals, including David Bonderman and Jim Coulter, have been named as defendants/respondents in a series of lawsuits in the United States, United Kingdom, and Luxembourg concerning an investment TPG held from 2005-2007 in a Greek telecommunications company, known then as TIM Hellas ("Hellas"). Entities and individuals related to Apax Partners, a London based investment firm also invested in Hellas at the time, are named in the suits as well. The cases all allege generally that a late 2006 refinancing of the Hellas group of companies was improper.

To date, most of the lawsuits filed in New York Federal and State courts against TPG and Apax-related defendants have been dismissed, with those dismissals upheld on appeal, or the appeal period has passed. A lawsuit pending in the District Court of Luxembourg against two former TPG partners and two individuals related to Apax involved in the investment has been decided after trial in their favor on all claims and is now on appeal. In February 2018, a High Court case in London against a number of TPG and Apax related parties and individuals was abandoned by the claimants in the early days of a scheduled six-week trial with costs of $9.5 million awarded to the TPG and Apax-related parties, of which $3.4 million was awarded to TPG.

In addition to the Luxembourg appeal, two cases in New York state court are active against TPG and Apax-related parties concerning the Hellas investment. Motions to dismiss by all defendants were made in both actions with the Court now having granted and denied in part those motions, paring back the parties, claims and amounts at issue. Appeals are pending as to the dismissal ruling in one matter (with immediate appeals possible as to the dismissal ruling in the other). The court has ruled on summary judgment motions in one case, further paring back the parties and claims in the case. Appeals are pending as to those summary judgment rulings as well. No trial date has been set in either of the two active actions. The prior noted stayed federal actions have now been dismissed by court order and stipulation.

The Company believes that the suits related to the Hellas investment are without merit and intends to continue to defend them vigorously.

In October 2022, the Company received a document request from the SEC focusing on the use and retention of business-related electronic communications, which, as has been publicly reported, is part of an industry-wide review. The Company is cooperating with the SEC's request.

Indemnifications

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties that provide general indemnifications. In addition, certain of the Company's funds have provided certain indemnities relating to environmental and other matters and has provided nonrecourse carve-out guarantees for fraud, willful misconduct and other customary wrongful acts, each in connection with the financing of certain real estate investments that the Company has made. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of material loss to be remote.

13. Net Income (Loss) Per Class A Common Share

The Company calculates its basic and diluted income (loss) per share using the two-class method for all periods presented, which defines unvested share-based payment awards that contain nonforfeitable rights to dividends as participating securities. The two-class method is an allocation formula that determines income per share for each share of common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all income (distributed and undistributed) is allocated to common shares and participating securities based on their respective rights to receive dividends.

In computing the dilutive effect that the exchange of TPG Operating Group partnership units would have on net income available to Class A common stock per share, TPG considered that net income (loss) available to holders of shares of Class A common stock would increase due to the elimination of non-controlling interests in the TPG Operating Group, inclusive of any tax impact. The hypothetical conversion may be dilutive to the extent there is activity at the TPG Inc. level that has not previously been attributed to the non-controlling interests or if there is a change in tax rate as a result of a hypothetical conversion.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Basic and diluted net income (loss) per share of Class A common stock for the three months ended March 31, 2022 is presented from January 13, 2022 through March 31, 2022, the period following the Reorganization and IPO. There were no shares of Class A common stock outstanding prior to January 13, 2022, therefore no income per share information has been presented for any period prior to that date.

The following table sets forth reconciliations of the numerators and denominators used to compute basic and diluted net income (loss) per share of Class A common stock (in thousands, except share and per share data):

	Three Months Ended March 31,	
	2023	**2022**
Numerator:		
Net income	**$ 35,674**	$ 162,804
Less:		
Net loss attributable to redeemable equity in Public SPACs prior to IPO	**—**	(517)
Net income attributable to other non-controlling interests prior to Reorganization and IPO	**—**	966
Net income attributable to TPG Group Holdings prior to Reorganization and IPO	**—**	5,256
Net income subsequent to IPO	**35,674**	157,099
Less:		
Net income attributable to participating securities	**—**	4,770
Net income attributable to redeemable equity in Public SPACs subsequent to IPO	**1,529**	1,823
Net loss attributable to non-controlling interests in TPG Operating Group subsequent to IPO	**(25,492)**	(9,721)
Net income attributable to other non-controlling interests subsequent to IPO	**34,582**	118,904
Net income attributable to Class A Common Stockholders prior to distributions	**25,055**	41,323
Reallocation of earnings to unvested participating restricted stock units	**(3,888)**	—
Net income attributable to Class A Common Stockholders - Basic	**21,167**	41,323
Net loss attributable to non-controlling interests in TPG Operating Group subsequent to IPO	**—**	(8,095)
Net loss assuming exchange of non-controlling interest	**(23,424)**	—
Reallocation of income from participating securities assuming exchange of Common Units	**—**	1,093
Net (loss) income attributable to Class A Common Stockholders - Diluted	**$ (2,257)**	$ 34,321
Denominator:		
Weighted-Average Shares of Common Stock Outstanding - Basic	**79,499,319**	79,240,057
Exchange of Common Units to Class A Common Stock	**229,641,530**	229,652,641
Weighted-Average Shares of Common Stock Outstanding - Diluted	**309,140,849**	308,892,698
Net income (loss) available to Class A common stock per share		
Basic	**$ 0.27**	$ 0.52
Diluted	**$ (0.01)**	$ 0.11
Dividends declared per share of Class A Common Stock [(a)]	**$ 0.50**	$ —

(a) Dividends declared reflects the calendar date of the declaration for each distribution.

14. Equity-Based Compensation

Restricted Stock Awards

Under the Company's 2021 Omnibus Equity Incentive Plan (the "Omnibus Plan"), the Company is permitted to grant equity awards representing ownership interests in TPG Inc.'s Class A common stock. On January 13, 2022, the Omnibus Plan became effective and the Company authorized for issuance 30,694,780 shares of TPG Inc.'s Class A common stock. On January 6, 2023, additional 12,797,983 shares of Class A common stock were registered, increasing the share reserve to 30,889,270 of which 27,383,102 may be issued as of March 31, 2023.

In conjunction with the IPO in 2022, TPG employees, certain of the Company's executives and certain non-employees received one-time grants of equity-based awards in the form of restricted stock units which entitle the holder to one share of Class A common stock upon vesting.

Further, in the ordinary course of business the Company also grants equity awards that are subject to either service conditions ("Ordinary Service-Vesting Awards") or a combination of service and performance conditions ("Ordinary Performance-Vesting Awards").

The following table summarizes the outstanding restricted stock unit awards as of March 31, 2023 (in millions, including share data):

	Units Outstanding as of March 31, 2023	Compensation Expense for the three months ended March 31, 2023	Compensation Expense for the three months ended March 31, 2022	Unrecognized Compensation Expense as of March 31, 2023
Restricted Stock Units				
IPO Service-Vesting Awards	8.8	$ 14.5	$ 18.0	$ 195.6
IPO Executive Service-Vesting Awards	1.1	1.6	1.4	24.6
IPO Executive Performance Condition Awards	1.1	1.3	1.1	11.7
Ordinary Service-Vesting Awards	4.4	10.0	—	132.3
Ordinary Performance-Vesting Awards	0.1	0.2	—	2.8
Total Restricted Stock Units	**15.5**	**$ 27.6**	**$ 20.5**	**$ 367.0**

For the three months ended March 31, 2023 and 2022, the Company recorded total restricted stock units compensation expense of $27.6 million and $20.5 million, respectively. The expense associated with awards granted to certain non-employees of the Company is recognized in general, administrative and other in our Condensed Consolidated Statements of Operations and totaled $0.7 million and $5.4 million for the three months ended March 31, 2023 and 2022.

For the three months ended March 31, 2023, the Company had 430,617 restricted stock units vest at a fair value of $14.6 million. The restricted stock units were settled by issuing 252,669 shares of TPG Inc. Class A Common stock, net of withholding tax of $6.0 million.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

IPO and Ordinary Service-Vesting Awards

For the three months ended March 31, 2023, the Company issued 3.7 million of Ordinary Service-Vesting Awards. The grant date fair value of the Ordinary Service-Vesting Awards considers the public share price of the Company’s Class A common stock. The following table presents the rollforward of the Company’s unvested Service-Vesting Awards for the three months ended March 31, 2023 (awards in millions):

	Service-Vesting Awards	Weighted-Average Grant Date Fair Value
Balance at December 31, 2022	10.1	$ 29.41
Granted	3.7	34.29
Vested, settled	(0.4)	29.73
Forfeited	(0.2)	29.25
Balance at March 31, 2023	**13.2**	$ 30.78

As of March 31, 2023, there was approximately $327.9 million of total estimated unrecognized compensation expense related to unvested Service-Vesting Awards, which is expected to be recognized over the weighted average remaining requisite service period of 3.2 years.

Ordinary Performance-Vesting Awards

In 2022 the Company also granted 0.1 million of Ordinary Performance-Vesting Awards. The weighted-average grant date fair value per share was $26.93 for these awards. For the three months ended March 31, 2023, the Company recorded equity-based compensation expense of $0.2 million. For the three months ended March 31, 2022, the Company recorded no equity-based compensation expense. Further, as of March 31, 2023, there was approximately $2.8 million of total estimated unrecognized compensation expense related to unvested Ordinary Performance-Vesting Awards, which is expected to be recognized over the weighted average remaining requisite service period of 2.9 years.

IPO Executive Awards

Under the Omnibus Plan, the Company also granted 2.2 million million of Executive Awards in order to incentivize and retain key members of management and further their alignment with our shareholders in conjunction with the IPO. The Executive Awards include awards of (i) 1.1 million restricted stock units subject to service-based vesting over a five-year service period beginning with the second anniversary of the grant date (“Executive Service-Vesting Awards”) and (ii) 1.1 million market and service based restricted stock units (“Executive Performance Condition Awards”). Each Executive Performance Condition Award is comprised of two parts: (i) a time-based component requiring a five-year service period (“Type I”) and (ii) a market price component with a target Class A common stock share price at either $44.25 within five years or $59.00 within eight years (“Type II”). Dividend equivalents are paid on vested and unvested Executive Service-Vesting Awards when the dividend occurs. Dividend equivalents accrue for vested and unvested Executive Performance Condition Awards and are paid only when both the applicable service and performance conditions are satisfied.

Compensation expense for Executive Service-Vesting Awards is recognized on a straight-line basis and for the Executive Performance Condition Awards using the accelerated attribution method on a tranche by tranche basis.

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The following table presents the rollforwards of the Company's unvested Executive Awards for the three months ended March 31, 2023 (awards in millions):

	Executive Service-Vesting Awards		Grant Date Fair Value	Executive Performance Condition Awards		Weighted Average Grant Date Fair Value
Balance at December 31, 2022	1.1	$	29.50	1.1	$	16.58
Granted	—		—	—		—
Vested	—		—	—		—
Forfeited	—		—	—		—
Balance at March 31, 2023	**1.1**	$	29.50	**1.1**	$	16.58

As of March 31, 2023, there was approximately $24.6 million of total estimated unrecognized compensation expense related to unvested Executive Service-Vesting Awards, which is expected to be recognized over the weighted average remaining requisite service period of 3.8 years. There was approximately $11.7 million of unrecognized compensation expense related to unvested Executive Performance Condition Awards, which is expected to be recognized over the weighted average remaining requisite service period of 2.6 years.

Other Awards

As a result of the Reorganization and the IPO in 2022, the Company's current partners hold restricted indirect interests in Common Units through TPG Partner Holdings, L.P. ("TPG Partner Holdings") and indirect economic interests through RemainCo. TPG Partner Holdings and RemainCo are presented as non-controlling interest holders within the Company's Condensed Consolidated Financial Statements. The interests in TPG Partner Holdings ("TPH Units") and indirectly in RemainCo ("RPH Units") are generally subject to service, or, in certain cases, to both service and performance conditions. Holders of these interests participate in distributions regardless of the vesting status. Additionally, as a result of the Reorganization, the IPO and the acquisition of the final 33.3% of NQ Manager in 2022 discussed in Note 3 to the Condensed Consolidated Financial Statements, certain TPG partners and NewQuest principals were granted Common Units directly at TPG Operating Group ("TOG Units") and Class A common stock subject to both service and performance conditions, which are deemed probable of achieving.

The following table summarizes the outstanding Other Awards as of March 31, 2023 (in millions, including share data):

	Unvested Units/Shares Outstanding as of March 31, 2023		Compensation Expense for the three months ended March 31, 2023		Compensation Expense for the three months ended March 31, 2022		Unrecognized Compensation Expense as of March 31, 2023
TPH and RPH Units							
TPH units	50.3	$	100.6	$	141.8	$	1,107.4
RPH units	0.4		19.2		18.8		187.9
Total TPH and RPH Units	**50.7**	**$**	**119.8**	**$**	**160.6**	**$**	**1,295.3**
TOG Units and Class A Common Stock							
TOG Common Units	1.8	$	3.6	$	5.5	$	32.8
Class A Common Stock	1.2		4.4		3.8		30.8
Total TOG Units and Class A Common Stock	**3.0**	**$**	**8.0**	**$**	**9.3**	**$**	**63.6**

TPG Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

TPH and RPH Units

The Company accounts for the TPH Units and RPH Units as compensation expense in accordance with ASC Topic 718, Compensation – *Stock Compensation* ("ASC 718"). The unvested TPH and RPH Units are recognized as equity-based compensation subject to primarily service vesting conditions and in certain cases performance conditions, which are currently deemed probable of achieving. The Company recognized compensation expense of $119.8 million and $160.6 million for the three months ended March 31, 2023 and 2022, respectively. There is no additional dilution to our stockholders related to these interests. Contractually these units are only related to non-controlling interest holders of the TPG Operating Group, and there is no impact to the allocation of income and distributions to TPG Inc. Therefore, the Company has allocated these expense amounts to its non-controlling interest holders.

The following table presents the rollforwards of the Company's unvested TPH Units and RPH Units for the three months ended March 31, 2023 (units in millions):

	TPH Units		RPH Units	
	Partnership Units	Grant Date Fair Value	Partnership Units	Grant Date Fair Value
Balance at December 31, 2022	50.3	$ 24.38	0.4	$ 457.10
Reallocated	0.7	28.41	—	—
Vested	—	—	—	—
Forfeited	(0.7)	24.79	—	—
Balance at March 31, 2023	**50.3**	$ 24.43	**0.4**	$ 457.10

TPH Units, which were forfeited by certain holders upon termination, were reallocated to certain existing unit holders in accordance with the applicable governing documents. The grant date fair value of the reallocated awards was determined based on the fair value of TPG's common stock at the time of reallocation. As of March 31, 2023, there was approximately $1,295.3 million of total estimated unrecognized compensation expense related to unvested TPH and RPH Units.

TOG Units and Class A Common Stock

In accordance with ASC 718, the Other IPO-Related Awards are also recognized as equity-based compensation. The expense for the three months ended March 31, 2023 and 2022 totaled $8.0 million and $9.3 million respectively. As TPG Operating Group holders would accrete pro-rata or benefit directly upon forfeiture of those awards, this compensation expense was allocated pro-rata to all controlling and non-controlling interest holders of TPG Inc.

The following table presents the rollforwards of the Company's unvested Other IPO Related Awards for the three months ended March 31, 2023 (awards in millions):

	TOG Units		Class A Common Stock	
	Partnership Units	Grant Date Fair Value	Partnership Units	Grant Date Fair Value
Balance at December 31, 2022	2.2	$ 27.29	1.7	$ 29.50
Granted	—	—	—	—
Vested	(0.4)	27.29	(0.5)	29.50
Forfeited	—	—	—	—
Balance at March 31, 2023	**1.8**	$ 27.29	**1.2**	$ 29.50

Total unrecognized compensation expense related to outstanding unvested awards as of March 31, 2023 was $63.6 million, of which the TOG Units and Class A common stock represented $32.8 million and $30.8 million, respectively.

TRTX Awards

Certain employees of the Company receive awards (“TRTX Awards”) from TPG RE Finance Trust, Inc. (“TRTX”), a publicly traded real estate investment trust, externally managed and advised by TPG RE Finance Trust Management, L.P., a wholly-owned subsidiary of the Company, for services provided to TRTX. Generally, the TRTX Awards vest over four years for employees and at grant date for directors of TRTX.

The TRTX Awards granted to certain employees of the Company are recorded in other assets and due to affiliates in the Condensed Consolidated Statements of Financial Condition. The grant date fair value of the asset is amortized through compensation and benefits expense on a straight-line basis over the vesting period in the Consolidated Statements of Operations. Compensation and benefits expense is offset by related management fees earned by the Company from TRTX. During the three months ended March 31, 2023 and 2022, the Company recognized $2.6 million and $0.9 million, respectively, of management fees and compensation and benefits expense.

15. Equity

The Company has two classes of common stock outstanding, Class A common stock and Class B common stock. Class A common stock is traded on the Nasdaq Global Select Market. The Company is authorized to issue 2,240,000,000 shares of Class A common stock with a par value of $0.001 per share, 100,000,000 shares of nonvoting Class A common stock, 750,000,000 shares of Class B common stock with a par value of $0.001 per share, and 25,000,000 shares of preferred stock, with a par value of $0.001 per share. Each share of the Company’s Class A common stock entitles its holder to one vote, and each share of our Class B common stock entitles its holder to ten votes. Holders of Class A common stock and Class B common stock generally vote together as a single class on all matters presented to the Company’s stockholders for their vote or approval. The nonvoting Class A common stock have the same rights and privileges as, rank equally and share ratably with, and are identical in all respects as to all matters to, the Class A common stock, except that the nonvoting Class A common stock have no voting rights other than such rights as may be required by law. Holders of Class A common stock are entitled to receive dividends when and if declared by the board of directors. Holders of the Class B common stock are not entitled to dividends in respect of their shares of Class B common stock. As of March 31, 2023, 80,492,727 shares of Class A common stock were outstanding, 228,652,641 shares of Class B common stock were outstanding, and there were no shares of preferred stock outstanding.

Dividends and distributions are reflected in the Condensed Consolidated Statements of Changes in Equity when declared by the board of directors. Dividends are made to Class A common stockholders and distributions are made to holders of non-controlling interests in subsidiaries.

The table below presents information regarding the quarterly dividends on the Class A common stock, which were made at the sole discretion of the Board of Directors of the Company.

Date Declared	Record Date	Payment date	Dividend per Class A Common Share
May 10, 2022	May 20, 2022	June 3, 2022	$ 0.44
August 9, 2022	August 19, 2022	September 2, 2022	0.39
November 9, 2022	November 21, 2022	December 2, 2022	0.26
February 15, 2023	February 27, 2023	March 10, 2023	0.50
Total 2022 Dividend Year			$ 1.59
May 15, 2023	May 25, 2023	June 5, 2023	$ 0.20
Total 2023 Dividend Year (through Q1 2023)			**$ 0.20**

Exchange of Common Units

Pursuant to the exchange agreement entered into at the time of our IPO (the “Exchange Agreement”), on March 30, 2023 a pre-IPO Investor exchanged 1,000,000 Common Units of each TPG Operating Group partnership for 1,000,000 shares of Class A common stock. This exchange resulted in the issuance of 1,000,000 shares of Class A common stock and the cancellation of 1,000,000 shares of Class B common stock for no additional consideration.

16. Subsequent Events

On May 15, 2023, the Company and Angelo, Gordon & Co., L.P. announced a strategic transaction whereby the Company will acquire Angelo, Gordon & Co., L.P. and AG Funds L.P. (collectively, “Angelo Gordon”) and certain of their affiliated entities (the “Angelo Gordon Parties”), an alternative investment firm focused on credit and real estate investing for estimated closing consideration to be paid of $970.0 million in cash (based on an assumed level of net cash and current assets of Angelo Gordon), and up to an aggregate of approximately 62.5 million Common Units of the TPG Operating Group II, L.P., an indirect subsidiary of the Company (including an equal number of shares of Class B common stock of the Company), and restricted stock units of the Company, in each case, subject to the adjustments set forth in the transaction agreement. In addition, upon the satisfaction of certain fee-related revenue targets by the Angelo Gordon Parties during the period beginning on January 1, 2026 and ending on December 31, 2026, the Angelo Gordon Parties will be entitled to an earnout payment of up to $400.0 million. The transaction is subject to required regulatory approvals and certain other customary closing conditions.

Other than the events noted above and in Notes 8, 10 and 15 to the Condensed Consolidated Financial Statements, there have been no additional events since March 31, 2023 that require recognition or disclosure in the Condensed Consolidated Financial Statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the information presented in our historical financial statements and the related notes included elsewhere in this report. In addition to historical information, the following discussion contains forward-looking statements, such as statements regarding our expectation for future performance, liquidity and capital resources that involve risks, uncertainties and assumptions. Our actual results may differ materially from those contained in or implied by any forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those identified below and elsewhere in this report, particularly in "Cautionary Note Regarding Forward-Looking Statements" and "Part II—Item 1A.—Risk Factors" and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 24, 2023. We assume no obligation to update any of these forward-looking statements.

On January 12, 2022, we completed a corporate reorganization (the "Reorganization"), which included a corporate conversion of TPG Partners, LLC to a Delaware corporation named TPG Inc., in conjunction with an initial public offering (the "IPO") of our Class A common stock. The IPO closed on January 18, 2022. Unless the context suggests otherwise, references in this report to "TPG", "the Company", "we", "us" and "our" refer (i) prior to the completion of the Reorganization and IPO to TPG Group Holdings SBS, L.P. and its consolidated subsidiaries and (ii) from and after the completion of the Reorganization and IPO to TPG Inc. and its consolidated subsidiaries.

Business Overview

We are a leading global alternative asset manager with approximately $137.1 billion in assets under management ("AUM") as of March 31, 2023. We primarily invest in complex asset classes such as private equity, real estate and public market strategies. We have built our firm over 30 years of successful innovation and organic growth, and we believe that we have delivered attractive risk-adjusted returns to our clients and established a premier investment business focused on the fastest-growing segments of both the alternative asset management industry and the global economy. We believe that we have a distinctive business approach as compared to other alternative asset managers and a diversified, innovative array of multi-strategy investment platforms that position us well to continue generating sustainable growth across our business. Our platforms are:

- **Capital**: Our Capital platform is focused on large-scale, control-oriented private equity investments. Capital platform funds are organized in four primary products, including (i) TPG Capital, our North America and Europe-focused private equity and large-scale growth equity investing business, (ii) TPG Asia, our Asia dedicated franchise, (iii) TPG Healthcare Partners, which makes healthcare-related investments primarily in partnership with other TPG funds, and (iv) single asset continuation vehicles which allow limited partners to remain invested in a portfolio company beyond the life of the TPG fund that initially invested in the company.

- **Growth:** Our Growth platform provides us with a flexible mandate to capitalize on investment opportunities that are earlier in their life cycle, are smaller in size and/or have different profiles than would be considered for our Capital platform. Our Growth platform consists of three primary products, including (i) TPG Growth, our dedicated growth equity and middle market investing product which seeks to make growth buyout and growth equity investments, primarily in North America and India., (ii) TPG Tech Adjacencies, which pursues minority structured investments in internet, software, digital media and other technology sectors, and (iii) TPG Digital Media, which focuses on opportunities in digital media and content-centric themes.

- **Impact**: We have a fundamental belief that private enterprise can contribute significantly to addressing societal challenges globally and launched our Impact platform in 2016 to pursue both competitive financial returns and measurable societal benefits at scale. Our Impact funds are organized in four primary products, including (i) The Rise Funds, our vehicles for investing across multiple vectors of societal impact, such as climate and conservation, education, financial inclusion, food and agriculture, healthcare and impact services, (ii) TPG Rise Climate, our dedicated climate impact investing product, (iii) an emerging markets healthcare fund, Evercare, and (iv) TPG NEXT, which is designed to support the next generation of diverse alternative asset managers.

- **Real Estate:** We established our real estate investing practice in 2009 to pursue real estate investments systematically and build the capabilities to do so at significant scale. Today, we are investing in real estate through three primary products, including (i) TPG Real Estate Partners ("TREP"), an opportunistic strategy that focuses on acquiring and building real estate platforms utilizing a distinct theme-based strategy, which often aligns with TPG's broader thematic sector expertise, (ii) TPG Real Estate Thematic Advantage Core-Plus ("TAC+"), an extension of TREP which targets investments in stabilized or near stabilized real estate, and (iii) TPG RE Finance Trust, Inc. (NYSE: TRTX) ("TRTX"), our publicly traded mortgage real estate investment trust ("REIT").

- **Market Solutions**: Our Market Solutions platform leverages the broader TPG ecosystem to create differentiated products in order to address specific market opportunities. The Market Solutions platform products consist of Public Market Investing funds, Private Markets Solutions, Capital Markets activities, which seeks to acquire private equity positions on a secondary basis, and SPACs.

The investment adviser of our funds generally receives a management fee based on a percentage of the fund's capital commitments, or the fund's invested capital, depending on the fund's terms and position in its lifecycle. The investment advisers to certain of our funds may also receive special fees, including transaction fees upon consummation of transactions, monitoring fees from portfolio companies following acquisition and other fees in connection with their activities. As part of its partnership interest in a fund and, in addition to a return on its capital interest in a fund, the general partner or an affiliate is generally entitled to receive performance allocations from a fund. Performance allocations are generally calculated on a realized basis, and each general partner (or affiliate) is generally entitled to an allocation of 20% of the net realized profits generated by such fund, subject to a preferred limited partner return typically of 8% per year.

Operating Segments

We operate our business as a single operating and reportable segment, which is consistent with how our CEO, who is our chief operating decision maker, reviews financial performance and allocates resources. We operate collaboratively across platforms with a single expense pool.

Trends Affecting our Business

Our business is affected by a variety of factors, including conditions in the financial markets and economic and political conditions. Changes in global economic conditions and regulatory or other governmental policies or actions can materially affect the values of funds managed by TPG, as well as our ability to source attractive investments and deploy the capital that we have raised. However, we believe our disciplined investment philosophy across our diversified investment platforms and our shared investment themes focusing on attractive and resilient sectors of the global economy has historically contributed to the stability of our performance throughout market cycles.

Financial markets were volatile in the first quarter of 2023. In particular, the failures of Silicon Valley Bank and Signature Bank in March produced uncertainty in the banking sector, notwithstanding swift actions taken by the Federal Reserve, Treasury and FDIC to stabilize markets. The quarter was also characterized by additional concerns around growth, interest rate expectations and inflation.

Inflation continued to be a dominant theme affecting markets and the domestic economy in the first quarter of 2023. The U.S. Consumer Price Index ("CPI") increased at its slowest pace since May 2021 in March, rising 5.0%, down from an average of 7.1% for the fourth quarter of 2022. Core CPI, which excludes food and energy, rose 5.6% in March, which was also down from the fourth quarter of 2022 readings. Despite the relative easing in the first quarter of 2023, inflation in the U.S. remains well above the Federal Reserve's long-run target of 2%.

Persistent inflation and a tight labor market, with over 1.0 million payrolls added in the first quarter of 2023 and unemployment at 3.5% as of March 2023, led Federal Reserve officials to continue to raise interest rates. The Federal Open Market Committee ("FOMC") announced 25 basis point increases at both first quarter meetings, bringing the target federal funds rate to 4.75%-5.00%. The FOMC has now raised rates at nine consecutive meetings, though the 25 basis point increases in the first quarter represent a slowdown from the 50-75 basis point increases seen throughout 2022.

U.S. Treasuries moved sharply within the quarter, but generally ended the period stronger as investors sought safety amid banking sector uncertainty in March. The two-year Treasury yield rose as high as 5.1% in early March on renewed inflation and rate-hike concerns, before falling sharply in response to banking sector concerns. Two-year yields ultimately fell to 4.06% as of the end of the quarter, down from 4.42% as of the end of the prior three-month period. The ten-year note traced a similar, but less drastic pattern, falling to 3.49% down from 3.88% as of the end of December 2022. Corporate bonds recorded their second consecutive positive quarter, with High Yield and Investment Grade indices both rising roughly 2.7%. Investment Grade corporate bond spreads widened slightly in the quarter, while High Yield spreads tightened by 23 basis points.

Equities were mostly stronger over the first quarter, posting gains despite difficulties in the banking sector. The Nasdaq led major indices, rising 16.8% and ending a four-quarter streak of negative performances. The S&P 500 and Dow rose 7.0% and 0.4% respectively. Growth oriented sectors were relative outperformers as the S&P Information Technology, Communication Services, and Consumer Discretionary sectors respectively gained 21.5%, 20.2%, and 15.8%. Financials and Energy lagged, falling 6.0% and 5.6%, primarily driven by banking system concerns and a pullback in oil prices. Volatility, as measured by the CBOE Volatility Index, finished the quarter at 18.7, down from 21.7 as of the end of the three months prior.

Our portfolio appreciated 3% in the first quarter of 2023, with increases in both our public and private portfolios. The continued appreciation reflects the strong operating performance and value creation initiatives in our portfolio.

In addition to these macroeconomic trends and market factors, our future performance is heavily dependent on our ability to attract new capital, generate strong, stable returns, source investments with attractive risk-adjusted returns and provide attractive investment products to a growing investor base. We believe the following factors will influence our future performance:

- *The extent to which prospective fund investors favor alternative investments*. Our ability to attract new capital is in part dependent on our current and prospective fund investors' views of alternative investments relative to traditional asset classes. We believe that our fundraising efforts will continue to be subject to certain fundamental asset management trends, including (i) the increasing importance and market share of alternative investment strategies to fund investors of all types as fund investors focus on lower-correlated and absolute levels of return, (ii) the increasing demand for private markets from private wealth fund investors, (iii) shifting asset allocation policies of institutional fund investors in particular favoring private markets and (iv) increasing barriers to entry and growth.

- *Our ability to generate strong, stable returns on behalf of our fund investors.* Our ability to raise and retain capital is significantly dependent on our track record and the investment returns we are able to generate for our fund investors. The capital we raise drives growth in our AUM, fee earning assets under management, or "FAUM," management fees and performance fees. Although our AUM, FAUM and fee-related revenues have grown significantly since our inception and in recent years, a significant deterioration in the returns we generate for our fund investors, adverse market conditions or an outflow of capital in the alternative asset management industry in general, or in the private equity segments in which we specialize, could negatively affect our future growth rate. In addition, market dislocations, contractions or volatility could adversely affect our returns in the future, which could in turn affect our fundraising abilities in the future, as both existing and prospective fund investors will consider our historical return profile in future asset allocations.

- *Our ability to source investments with attractive risk-adjusted returns*. Our ability to continue to grow our revenue is dependent on our continued ability to source attractive investments and efficiently deploy the capital that we have raised. Although the capital deployed in any one quarter may vary significantly from period to period due to the availability of attractive opportunities and the long-term nature of our investment strategies, we believe that our ability to efficiently and effectively invest our growing pool of fund capital puts us in a favorable position to maintain our revenue growth over time. Our ability to identify attractive investments and execute on those investments is dependent on a number of factors, including the general macroeconomic environment, market positioning, valuation, transaction size and the expected duration of such investment opportunities. A significant decrease in the quality or quantity of potential opportunities, particularly in our core focus sectors (including technology and healthcare), could adversely affect our ability to source investments with attractive risk-adjusted returns.

- *The attractiveness of our product offerings to a broad and evolving investor base.* Investors in our industry may have changing investment priorities and preferences over time, including with respect to risk appetite, portfolio allocation, desired returns and other considerations. Fund investors' increasing desire to work with fewer managers has also resulted in heightened competition. We continue to expand and diversify our product offerings to increase investment options for our fund investors, while balancing this expansion with our goal of continuing to deliver consistent, attractive returns. Our track record of innovation and the organic incubation of new product platforms and strategies is representative of our adaptability and focus on delivering products that are in demand by our clients.

- *Our ability to maintain our competitive advantage relative to competitors*. Our data, analytical tools, deep industry knowledge, culture and teams allow us to provide our fund investors with attractive returns on their committed capital as well as customized investment solutions, including specialized services and reporting packages as well as experienced and responsive compliance, administration and tax capabilities. Our ability to maintain our advantage is dependent on a number of factors, including our continued access to a broad set of private market information, access to deal flow, retaining and developing our talent and our ability to grow our relationships with sophisticated partners.

Reorganization

We are a holding company and our only business is to act as the owner of the entities serving as the general partner of the TPG Operating Group partnerships and our only material assets are Common Units representing approximately 26.0% of the Common Units and 100% of the interests in certain intermediate holding companies as of March 31, 2023. In our capacity as the sole indirect owner of the entities serving as the general partner of the TPG Operating Group partnerships, we indirectly control all of the TPG Operating Group's business and affairs.

Basis of Accounting

We consolidate the financial results of TPG Inc., TPG Operating Group and its consolidated subsidiaries, TPG's management companies, the general partners of TPG funds and entities that meet the definition of a variable interest entity ("VIE") for which we are considered the primary beneficiary.

When an entity is consolidated, we reflect the accounts of the consolidated entity, including its assets, liabilities, revenues, expenses, investment income, cash flows and other amounts, on a gross basis. While the consolidation of an entity does not impact the amounts of net income attributable to controlling interests, the consolidation does impact the financial statement presentation in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). This is a result of the fact that the accounts of the consolidated entities being reflected on a gross basis, with intercompany transactions eliminated, while the allocable share of those amounts that are attributable to third parties are reflected as single line items. The single line items in which the accounts attributable to third parties are recorded are presented as non-controlling interests on the Condensed Consolidated Statements of Financial Condition and net income (loss) attributable to non-controlling interests on the Condensed Consolidated Statements of Operations.

We are not required under U.S. GAAP to consolidate the majority of investment funds we advise in our Condensed Consolidated Financial Statements because we do not have a more than insignificant variable interest. Pursuant to U.S. GAAP, we consolidate certain Public SPACs. Management fees and performance allocations from the consolidated Public SPACs are eliminated in the Condensed Consolidated Financial Statements. The assets and liabilities of the consolidated Public SPACs are generally held within separate legal entities and, as a result, the liabilities of the consolidated Public SPACs are non-recourse to us. Since we only consolidate a limited portion of our TPG investment funds, the performance of the consolidated Public SPACs is not necessarily consistent with or representative of the aggregate performance trends of our TPG investment funds.

Key Financial Measures

Our key financial and operating measures are discussed below.

Revenues

Fees and Other. Fees and other consists primarily of (i) management and incentive fees for providing investment management services to TPG funds, limited partners and other vehicles, and catch-up fees**,** also known as out of period management fees, which are fees paid in any given period that relate to a prior period, usually as the result of a new limited partner coming into a fund in a subsequent close; (ii) monitoring fees for providing services to portfolio companies; (iii) transaction fees for providing advisory services, debt and equity arrangements and underwriting and placement services; and (iv) expense reimbursements from unconsolidated funds, portfolio companies and third parties. These fee arrangements are documented within the contractual terms of the governing agreements and are recognized when earned, which generally coincides with the period during which the related services are performed and in the case of transaction fees, upon closing of the transaction. Monitoring fees may provide for a termination payment following an initial public offering or change of control. These termination payments are recognized in the period in which the related transaction closes.

Capital Allocation-Based Income (Loss). Capital allocation-based income (loss) is earned from the TPG funds when we have (i) a general partner's capital interest and (ii) performance allocations which entitle us to a disproportionate allocation of investment income or loss from investment funds. We are entitled to a performance allocation (typically 20%) based on cumulative fund or account performance to date, irrespective of whether such amounts have been realized. These performance allocations are subject to the achievement of minimum return levels (typically 8%), in accordance with the terms set forth in the respective fund's governing documents. We account for our investment balances in the TPG funds, including performance allocations, under the equity method of accounting because we are presumed to have significant influence as the general partner or managing member; however, we do not have control as defined by Accounting Standards Codification ("ASC") Topic 810, *Consolidation*. The Company accounts for its general partner interests in capital allocation-based arrangements as financial instruments under ASC Topic 323, *Investments – Equity Method and Joint Ventures* as the general partner has significant governance rights in the TPG funds in which it invests which demonstrates significant influence. Accordingly, performance allocations are not deemed to be within the scope of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606").

Expenses

Compensation and Benefits. Compensation and benefits expense includes (i) cash-based compensation and benefits, (ii) equity based compensation and (iii) performance allocation compensation. Bonuses are accrued over the service period to which they relate. In addition, we have equity-based compensation arrangements that require certain TPG executives and employees to vest ownership of a portion of their equity interests over a service period of generally one to six years, which under U.S. GAAP will result in compensation charges over current and future periods. In connection with our IPO, we granted restricted stock units ("RSUs") to executives and employees. Distributions of performance allocations in the legal form of equity made directly or indirectly to our partners and professionals are allocated and distributed, when realized, pro rata based on ownership percentages in the underlying investment partnership and are accounted for as distributions on the equity held by such partners rather than as compensation and benefits expense prior to the Reorganization and IPO. We account for these distributions as performance allocation compensation.

General, Administrative and Other. General and administrative expenses include costs primarily related to professional services, occupancy, travel, communication and information services and other general operating items.

Depreciation and Amortization. Depreciation and amortization of tenant improvements, furniture and equipment and intangible assets are expensed on a straight-line basis over the useful life of the asset.

Interest Expense. Interest expense includes interest paid and accrued on our outstanding debt and the amortization of deferred financing costs.

Expenses of Consolidated Public SPACs. Expenses of consolidated Public SPACs consist of interest expense and other expenses related primarily to professional services fees, research expenses, trustee fees, travel expenses and other costs associated with organizing and offering these entities.

Investment Income

Net Gains (Losses) from Investment Activities. Realized gains (losses) may be recognized when we redeem all or a portion of an investment interest or when we receive a distribution of capital. Unrealized gains (losses) result from the appreciation (depreciation) in the fair value of our investments. Fluctuations in net gains (losses) from investment activities between reporting periods are primarily driven by changes in the fair value of our investment portfolio and, to a lesser extent, the gains (losses) on investments disposed of during the period. The fair value of, as well as the ability to recognize gains (losses) from, our investments is significantly impacted by the global financial markets. This impact affects the net gains (losses) from investment activities recognized in any given period. Upon the disposition of an investment, previously recognized unrealized gains (losses) are reversed and an offsetting realized gain (loss) is recognized in the period in which the investment is sold. Since our investments are carried at fair value, fluctuations between periods could be significant due to changes to the inputs to our valuation process over time.

Interest, Dividends and Other. Interest income is recognized on an accrual basis to the extent that such amounts are expected to be collected using the effective interest method. Dividends and other investment income are recorded when the right to receive payment is established.

Unrealized Gains (Losses) on Derivative Liabilities of Consolidated Public SPACs. Unrealized gains (losses) on derivative liabilities of consolidated Public SPACs are changes in the fair value of derivative contracts entered into by our consolidated Public SPAC entities, which are included in current period earnings.

Interest, Dividends and Other of Consolidated Public SPACs. Interest income is recognized on an accrual basis to the extent that such amounts are expected to be collected using the effective interest method. Dividends and other investment income are recorded when the right to receive payment is established.

Income Tax Expense

The Company is treated as a corporation for U.S. federal and state income tax purposes. We are subject to U.S. federal and state income taxes, in addition to local and foreign income taxes, with respect to our allocable share of taxable income generated by the TPG Operating Group partnerships.

Non-Controlling Interests

For entities that are consolidated, but not 100% owned, a portion of the income or loss and corresponding equity is allocated to owners other than TPG. The aggregate of the income or loss and corresponding equity that is not owned by us is included in non-controlling interests in the Condensed Consolidated Financial Statements.

Key Components of our Results of Operations

Results of Operations

The following table provides information regarding our condensed consolidated results of operations for the periods presented:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	(dollars in thousands, except share and per share data)	
Revenues		
Fees and other	$ 311,471	$ 273,005
Capital allocation-based income	331,674	837,705
Total revenues	643,145	1,110,710
Expenses		
Compensation and benefits:		
Cash-based compensation and benefits	120,451	116,359
Equity-based compensation	157,293	185,911
Performance allocation compensation	221,341	523,138
Total compensation and benefits	499,085	825,408
General, administrative and other	104,873	102,264
Depreciation and amortization	8,222	8,699
Interest expense	7,418	4,638
Expenses of consolidated Public SPACs:		
Other	519	1,523
Total expenses	620,117	942,532
Investment income (loss)		
Income (loss) from investments:		
Net gains from investment activities	14,816	6,643
Interest, dividends and other	7,971	204
Investment income of consolidated Public SPACs:		
Unrealized (losses) gains on derivative liabilities of Public SPACs	(750)	2,657
Interest, dividends and other	2,712	126
Total investment income	24,749	9,630
Income before income taxes	47,777	177,808
Income tax expense	12,103	15,004
Net income	35,674	162,804
Net loss attributable to redeemable equity in Public SPACs prior to Reorganization and IPO	—	(517)
Net income attributable to other non-controlling interests prior to Reorganization and IPO	—	966
Net income attributable to TPG Group Holdings prior to Reorganization and IPO	—	5,256
Net income attributable to redeemable equity in Public SPACs	1,529	1,823
Net loss attributable to non-controlling interests in TPG Operating Group	(25,492)	(4,912)
Net income attributable to other non-controlling interests	34,582	118,904
Net income attributable to TPG Inc. subsequent to Reorganization and IPO	**$ 25,055**	$ 41,284

	Three Months Ended March 31,	
	2023	2022
	(dollars in thousands, except share and per share data)	
Net income (loss) per share data:		
Net income (loss) available to Class A common stock per share		
Basic	$ 0.27	$ 0.52
Diluted	$ (0.01)	$ 0.11
Weighted-average shares of Class A common stock outstanding		
Basic	79,499,319	79,240,057
Diluted	309,140,849	308,892,698

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Revenues

Revenues consisted of the following for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,			
	2023	2022	Change	%
	($ in thousands)			
Management fees	$ 250,559	$ 204,808	$ 45,751	22 %
Transaction, monitoring and other fees, net	4,670	24,882	(20,212)	(81)%
Expense reimbursements and other	56,242	43,315	12,927	30 %
Total fees and other	311,471	273,005	38,466	14 %
Performance allocations	315,707	799,958	(484,251)	(61)%
Capital interests	15,967	37,747	(21,780)	(58)%
Total capital allocation-based income	331,674	837,705	(506,031)	(60)%
Total revenues	$ 643,145	$ 1,110,710	$ (467,565)	(42)%

Fees and other revenues increased by $38.5 million, or 14%, during the three months ended March 31, 2023, compared to the three months ended March 31, 2022. This change resulted from a $45.8 million increase in management fees and a $12.9 million increase in expense reimbursements, which was partially offset by a $20.2 million decrease in transaction, monitoring and other fees, net.

Management Fees. Management fees increased by $45.8 million, or 22%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily driven by fee earning capital raised resulting in additional management fees of $25.8 million from TPG IX and $12.2 million from Asia VIII, both of which were activated during the third quarter of 2022, $9.4 million from Rise III, which was activated during the second quarter of 2022 and $11.7 million from TREP IV, which was activated during the first quarter of 2022. These increases were partially offset by a decrease of $8.7 million in fees earned from Asia VII, primarily resulting from a step down in fee earning AUM during the three months ended March 31, 2023 compared to the three months ended March 31, 2022.

Certain management fees totaling $4.5 million earned during the three months ended March 31, 2023 were considered catch-up fees as a result of additional capital commitments from limited partners. In the Capital platform, catch-up fees amounted to $2.5 million and $0.4 million for TPG IX and THP II, respectively, both of which were activated in the third quarter of 2022. Rise III within the Impact platform, which was activated in the second quarter of 2022, had $1.2 million in catch-up fees. The Market Solutions platform had catch-up fees of $0.3 million from TGS, which was activated in the third quarter of 2022.

Transaction, Monitoring and Other Fees, Net. Transaction, monitoring and other fees, net decreased by $20.2 million, or 81%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily driven by a $20.9 million decrease in our Market Solutions platform as a result of a lower volume of capital markets activity among our portfolio companies involving our broker-dealer.

Expense Reimbursements and Other. Expense reimbursements and other increased $12.9 million, or 30%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was largely driven by an increase in reimbursable expenses of $11.6 million during the three months ended March 31, 2023.

Performance Allocations. Performance allocations totaled $315.7 million, or 61% lower for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. Our realized and unrealized portfolio appreciated by approximately 3% during the three months ended March 31, 2023 compared to 7% during the three months ended March 31, 2022. Realized performance allocations gains for the three months ended March 31, 2023 and 2022 totaled $152.8 million and $585.7 million, respectively. Unrealized performance allocation gains for the three months ended March 31, 2023 and 2022 totaled $162.9 million and $214.3 million, respectively.

The table below highlights performance allocations for the three months ended March 31, 2023 and 2022, and separates the entities listed into two categories to reflect the Reorganization: (i) TPG general partner entities from which the TPG Operating Group Common Unit holders are expected to receive a 20% performance allocation and (ii) TPG general partner entities from which the TPG Operating Group Common Unit holders are not expected to receive any performance allocation.

	Three Months Ended March 31,			
	2023	**2022**	**Change**	**%**
	($ in thousands)			
TPG Operating Group Shared:				
TPG VII	$ 49,259	$ 411,179	$ (361,920)	(88)%
TPG VIII	119,038	187,524	(68,486)	(37)%
TPG IX	1,714	—	1,714	NM
Asia VI [1]	10,384	22,953	(12,569)	(55)%
Asia VII	(7,310)	30,601	(37,911)	(124)%
THP I	34,385	21,020	13,365	64 %
THP II	2,730	—	2,730	NM
TES	519	8,961	(8,442)	(94)%
AAF	22,985	21,298	1,687	8 %
Platform: Capital	233,704	703,536	(469,832)	(67)%
Growth III [1]	5,068	(27,903)	32,971	118 %
Growth IV	9,460	13,933	(4,473)	(32)%
Growth V	3,135	11,391	(8,256)	(72)%
TTAD I	1,344	7,240	(5,896)	(81)%
TDM	3,897	10,571	(6,674)	(63)%
Platform: Growth	22,904	15,232	7,672	50 %
Rise I	(6,472)	(2,628)	(3,844)	(146)%
Rise II	19,736	(522)	20,258	3881 %
Rise Climate	78,952	—	78,952	NM
Platform: Impact	92,216	(3,150)	95,366	3027 %
TREP III	(4,746)	46,067	(50,813)	(110)%
TAC+	—	2,555	(2,555)	NM
Platform: Real Estate	(4,746)	48,622	(53,368)	(110)%
TPEP	7,711	6,501	1,210	19 %
NewQuest	5,138	7,868	(2,730)	(35)%
Strategic Capital	—	(2,024)	2,024	NM
Platform: Market Solutions	12,849	12,345	504	4 %
Total TPG Operating Group Shared:	$ 356,927	$ 776,585	$ (419,658)	(54)%

	Three Months Ended March 31,			
	2023	2022	Change	%
	($ in thousands)			
TPG Operating Group Excluded:				
TPG IV	$ 87	$ (5)	$ 92	1840 %
TPG VI	(22,916)	(8,969)	(13,947)	(156)%
Asia IV	—	(28)	28	NM
Asia V	(26,249)	12,034	(38,283)	(318)%
MMI	709	588	121	21 %
TPG TFP	—	(2)	2	100 %
Platform: Capital	(48,369)	3,618	(51,987)	(1437)%
Growth II	3,366	3,077	289	9 %
Growth II Gator	7,172	3,966	3,206	81 %
Biotech III	1,514	5,639	(4,125)	(73)%
Biotech IV	(56)	(4)	(52)	(1300)%
Platform: Growth	11,996	12,678	(682)	(5)%
TREP II	(3,763)	1,172	(4,935)	(421)%
DASA - Real Estate	(1,084)	1,018	(2,102)	(206)%
Platform: Real Estate	(4,847)	2,190	(7,037)	(321)%
TSI	—	164	(164)	NM
Evercare	—	4,723	(4,723)	NM
Platform: Impact	—	4,887	(4,887)	NM
Total TPG Operating Group Excluded [(2)]	$ (41,220)	$ 23,373	$ (64,593)	(276)%
Total Performance Allocations	$ 315,707	$ 799,958	$ (484,251)	(61)%

(1) After the Reorganization, we retained an economic interest in performance allocations from the Growth III and Asia VI general partner entities, which entitles us to a performance allocation equal to 10%; however, we allocate the full amount as performance allocation compensation expense. As such, net income available to controlling interest holders is zero for each of these funds following the Reorganization.

(2) The TPG Operating Group Excluded entities' performance allocations are not a component of net income attributable to TPG following the Reorganization; however, the TPG general partner entities continue to be consolidated by us. We transferred the rights to the performance allocations the TPG Operating Group historically would have received to RemainCo on December 31, 2021. As such, net income available to controlling interest holders will be zero for each of the TPG Operating Group Excluded entities beginning January 1, 2022.

The decrease in total performance allocations for the three months ended March 31, 2023 compared to the three months ended March 31, 2022 was primarily driven by lower realized and unrealized appreciation in TPG VII, TPG VIII, TREP III, Asia V and ASIA VII, partially offset by higher realized and unrealized appreciation in Rise Climate and Growth III.

As of March 31, 2023, accrued performance allocations presented as investments in the Condensed Consolidated Statements of Financial Condition for Common Unit holders TPG Operating Group shared TPG general partner entities totaled $4.4 billion. As of March 31, 2023, accrued performance allocations presented as investments in the Condensed Consolidated Statements of Financial Condition for Common Unit holders TPG Operating Group excluded TPG general partner entities totaled $0.4 billion.

Capital Interests. Capital interests income decreased by $21.8 million, or 58%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily driven by less income from our investments in TPG VII, TPG VIII and Asia VII in our Capital platform, TREP III within our Real Estate platform and TTAD I in our Growth platform, partially offset by increases in Rise Climate within our Impact platform, AAF within our Capital Platform, TRTX within our Real Estate platform and Growth III within our Growth platform.

Expenses

Cash-Based Compensation and Benefits. Cash-based compensation and benefits expense increased by $4.1 million, or 4%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily driven by higher salaries and benefits of $5.6 million, resulting from an overall increase in headcount for the three months ended March 31, 2023 compared to the three months ended March 31, 2022.

Equity-Based Compensation. Equity-based compensation expense decreased by $28.6 million, or 15%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily attributable to the vesting of certain TPH, RPH and Other IPO-Related Awards during the year ended December 31, 2022, partially offset by an increase in expense associated with RSUs granted to TPG employees and certain of our executives during the three months ended March 31, 2023.

Performance Allocation Compensation. Performance allocation compensation decreased by $301.8 million, or 58%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily attributable to the decrease in performance allocations that drives compensation attributable to our partners and professionals.

General, Administrative and Other. General and administrative expenses increased by $2.6 million, or 3%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily driven by a $5.9 million increase in reimbursable expenses incurred on behalf of TPG funds, partially offset by a decrease of $3.2 million of other administrative expenses during the three months ended March 31, 2023.

Interest Expense. Interest expense increased by $2.8 million, or 60%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022 primarily due to higher interest rates on certain borrowings.

Net Gains from Investment Activities. Net gains from investment activities increased by $8.2 million to a gain of $14.8 million for three months ended March 31, 2023 from a gain of $6.6 million for the three months ended March 31, 2022. This change was primarily attributable to an increase of $9.5 million of income earned from our equity method investment in NRDY during the three months ended March 31, 2023.

Interest, Dividends and Other. Interest, dividends and other increased by $7.8 million for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This increase was primarily driven by additional interest income earned during the three months ended March 31, 2023 compared to the three months ended March 31, 2022.

Unrealized (Losses) Gains on Derivative Liabilities of Public SPACs. The $0.8 million of unrealized loss and $2.7 million of unrealized gain on derivative instruments recognized during the three months ended March 31, 2023 and 2022, respectively, were attributable to warrants issued by the consolidated Public SPAC entities and forward purchase agreements held by third parties. The warrants held by public investors and forward purchase agreements are treated as liability instruments rather than equity instruments and subject to mark-to-market adjustments each period. Upon the consummation of acquisitions of target companies by our Public SPACs or the wind down of a Public SPAC, the associated liability will no longer be included in our Condensed Consolidated Statements of Financial Condition.

Interest, Dividends and Other of Consolidated Public SPACs. Interest, dividends and other of consolidated Public SPACs increased by $2.6 million for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily driven by higher interest income on Assets held in Trust Accounts due to increasing interest rates.

Unaudited Condensed Consolidated Statements of Financial Condition (U.S. GAAP basis)

($ in thousands)	March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 931,946	$ 1,107,484
Investments	5,530,841	5,329,868
Due from affiliates	193,142	202,639
Other assets	650,284	642,558
Assets of consolidated Public SPACs	661,109	659,189
Total assets	**$ 7,967,322**	**$ 7,941,738**
Liabilities, Redeemable Equity and Equity		
Debt obligations	$ 444,733	$ 444,566
Due to affiliates	232,815	139,863
Accrued performance allocation compensation	3,225,492	3,269,889
Other liabilities	382,062	324,261
Liabilities of consolidated Public SPACs	24,429	23,653
Total liabilities	**$ 4,309,531**	**$ 4,202,232**
Redeemable equity from consolidated Public SPACs	**$ 656,347**	**$ 653,635**
Equity		
Class A common stock $0.001 par value, 2,340,000,000 shares authorized (80,492,727 and 79,240,058 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively)	$ 80	$ 79
Class B common stock $0.001 par value, 750,000,000 shares authorized (228,652,641 and 229,652,641 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively)	229	230
Preferred stock, $0.001 par value, 25,000,000 shares authorized (0 issued and outstanding as of March 31, 2023 and December 31, 2022, respectively)	—	—
Additional paid-in-capital	522,888	506,639
Retained (deficit) earnings	(13,981)	2,724
Other non-controlling interests	2,492,228	2,576,199
Total equity	**3,001,444**	**3,085,871**
Total liabilities, redeemable equity and equity	**$ 7,967,322**	**$ 7,941,738**

Cash and cash equivalents decreased $175.5 million primarily due to payments of dividends and distributions to our Class A common stockholders and to holders of non-controlling interests in subsidiaries.

Investments increased $201.0 million during the three months ended March 31, 2023 primarily due to net capital allocation-based income of $331.7 million, which was partially offset by net proceeds of $166.5 million. For the three months ended March 31, 2023, our investments have generated realized and unrealized portfolio appreciation of 3.2%.

Accrued performance allocation compensation decreased $44.4 million for the three months ended March 31, 2023, primarily attributable to increased settlements of performance allocation compensation relative to the compensation expense recognized during the three months ended March 31, 2023.

Total equity decreased $84.4 million, primarily due to the payments of dividends and distributions to our Class A common stockholders and to holders of non-controlling interests in subsidiaries, partially offset by net income earned and equity based compensation expense recognized during the three months ended March 31, 2023.

Non-GAAP Financial Measures

Distributable Earnings. Distributable Earnings ("DE") is used to assess performance and amounts potentially available for distributions to partners. DE is derived from and reconciled to, but not equivalent to, its most directly comparable U.S. GAAP measure of net income. DE differs from U.S. GAAP net income computed in accordance with U.S. GAAP in that it does not include (i) unrealized performance allocations and related compensation and benefit expense, (ii) unrealized investment income, (iii) equity-based compensation expense, (iv) net income (loss) attributable to non-controlling interests in consolidated entities, or (v) certain non-cash items, such as contingent reserves.

While we believe that the inclusion or exclusion of the aforementioned U.S. GAAP income statement items provides investors with a meaningful indication of our core operating performance, the use of DE without consideration of the related U.S. GAAP measures is not adequate due to the adjustments described herein. This measure supplements U.S. GAAP net income and should be considered in addition to and not in lieu of the results of operations presented accordance with U.S. GAAP discussed further under "—Key Components of our Results of Operations—Results of Operations" prepared in accordance with U.S. GAAP.

After-Tax Distributable Earnings. After-tax Distributable Earnings ("After-tax DE") is a non-GAAP performance measure of our distributable earnings after reflecting the impact of income taxes. We use it to assess how income tax expense affects amounts available to be distributed to our Class A common stock holders and Common Unit holders. After-tax DE differs from U.S. GAAP net income computed in accordance with U.S. GAAP in that it does not include the items described in the definition of DE herein; however, unlike DE, it does reflect the impact of income taxes. Income taxes, for purposes of determining After-tax DE, represent the total U.S. GAAP income tax expense adjusted to include only the current tax expense (benefit) calculated on U.S. GAAP net income before income tax and includes the current payable under our Tax Receivable Agreement, which is recorded within other liabilities in our Condensed Consolidated Statements of Financial Condition. Further, the current tax expense (benefit) utilized when determining After-tax DE reflects the benefit of deductions available to the Company on certain expense items that are excluded from the underlying calculation of DE, such as equity-based compensation charges. We believe that including the amount currently payable under the Tax Receivable Agreement and utilizing the current income tax expense (benefit), as described above, when determining After-tax DE is meaningful as it increases comparability between periods and more accurately reflects earnings that are available for distribution to shareholders.

We believe that while the inclusion or exclusion of the aforementioned U.S. GAAP income statement items provides investors with a meaningful indication of our core operating performance, the use of After-tax DE without consideration of the related U.S. GAAP measures is not adequate due to the adjustments described herein. This measure supplements U.S. GAAP net income and should be considered in addition to and not in lieu of the results of operations presented in accordance with U.S. GAAP discussed further under "—Key Components of our Results of Operations-Results of Operations."

Fee-Related Earnings. Fee-Related Earnings ("FRE") is a supplemental performance measure and is used to evaluate our business and make resource deployment and other operational decisions. FRE differs from net income computed in accordance with U.S. GAAP in that it adjusts for the items included in the calculation of DE and also adjusts to exclude (i) realized performance allocations and related compensation expense, (ii) realized investment income from investments and financial instruments, (iii) net interest (interest expense less interest income), (iv) depreciation, (v) amortization and (vi) certain non-core income and expenses. We use FRE to measure the ability of our business to cover compensation and operating expenses from fee revenues other than capital allocation-based income. The use of FRE without consideration of the related U.S. GAAP measures is not adequate due to the adjustments described herein.

Fee-Related Revenues. Fee-related revenues is a component of FRE. Fee-related revenues is comprised of (i) management fees, (ii) transaction, monitoring and other fees, net, and (iii) other income. Fee-related revenue differs from revenue computed in accordance with U.S. GAAP in that it excludes certain reimbursement expense arrangements. Refer to "—Reconciliation to U.S. GAAP Measures" to the comparable line items on the combined statements of operations.

Fee-Related Expenses. Fee-related expenses is a component of FRE. Fee-related expenses differs from expenses computed in accordance with U.S. GAAP in that it is net of certain reimbursement arrangements. Fee-related expenses is used in management's review of the business. Refer to "—Reconciliation to U.S. GAAP Measures" to the comparable line items on the combined statements of operations.

Fee-related revenues and fee-related expenses are presented separately in our calculation of non-GAAP measures in order to better illustrate the profitability of our FRE. The use of fee-related revenues and FRE without consideration of the related U.S. GAAP measures is not adequate due to the adjustments described herein.

Our calculations of DE, FRE, fee-related revenue and fee-related expenses may differ from the calculations of other investment managers. As a result, these measures may not be comparable to similar measures presented by other investment managers.

The following table sets forth our total FRE and DE for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Management fees	$ 247,998	$ 202,731
Transaction, monitoring and other fees, net	4,672	26,756
Other income	12,783	11,045
Fee-Related Revenues	265,453	240,532
Compensation and benefits, net	100,155	98,187
Operating expenses, net	66,014	50,362
Fee-Related Expenses	166,169	148,549
Total Fee-Related Earnings	$ 99,284	$ 91,983
Realized performance allocations, net	5,025	122,192
Realized investment income and other, net	(5,175)	7,293
Depreciation expense	(1,131)	(1,571)
Interest expense, net	(1,033)	(4,431)
Distributable Earnings	$ 96,970	$ 215,466
Income taxes	(9,128)	(16,433)
After-Tax Distributable Earnings	$ 87,842	$ 199,033

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Fee-Related Revenues

Fee-related revenues increased by $24.9 million, or 10% for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The change was primarily due to additional management fees of $45.3 million, partially offset by a decrease in transaction, monitoring and other fees, net of $22.1 million.

Management Fees

The following table presents management fees in our platforms for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Capital	$ 105,911	$ 80,440
Impact	46,862	41,919
Real Estate	41,361	27,826
Growth	36,655	33,724
Market Solutions	17,209	18,822
Total Management Fees	$ 247,998	$ 202,731

Management fees increased by $45.3 million, or 22%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was largely due to additional management fees of $25.5 million earned from the Capital platform, primarily as a result of the activation of TPG IX and Asia VIII during the third quarter of 2022. Management fees generated from the Real Estate platform increased $13.5 million, primarily as a result of the activation of TREP IV in the first quarter of 2022. Management fees generated from the Impact platform increased $4.9 million, primarily driven by the activation of Rise III in the second quarter of 2022. Growth management fees increased $2.9 million primarily attributable to additional actively invested capital in TTAD II. This change was partially offset by a $1.6 million decrease in fees earned in the Market Solutions platform.

Certain management fees earned during the three months ended March 31, 2023 were considered catch-up fees as a result of additional capital commitments from limited partners, totaling $4.5 million for the period. In the Capital platform, catch-up fees amounted to $2.5 million and $0.4 million for TPG IX and THP II, respectively, both of which were activated in the third quarter of 2022. Rise III within the Impact platform, which was activated in the second quarter of 2022, had $1.2 million in catch-up fees. The Market Solutions platform had catch-up fees of $0.3 million from TGS, which was activated in the third quarter of 2022.

Transaction, Monitoring and Other Fees, Net

The following table presents transaction, monitoring and other fees, net in our platforms for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Market Solutions	$ 1,992	$ 22,898
Impact	1,568	1,745
Capital	1,018	1,974
Growth	94	139
Total Transaction, Monitoring and Other Fees, Net	$ 4,672	$ 26,756

Transaction, monitoring and other fees, net decreased by $22.1 million, or 83%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily attributable to the Market Solutions platform as a result of less capital markets activity among our portfolio companies involving our broker-dealer.

Other Income

The following table presents other income for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Former affiliate funds	$ 8,385	$ 7,264
Other income	4,398	3,781
Total Other Income	$ 12,783	$ 11,045

Total other income increased by $1.7 million, or 16%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change primarily resulted from income earned from RemainCo under the RemainCo administrative agreement.

Fee-Related Expenses

Fee-related expenses increased by $17.6 million, or 12%, during the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily due to higher operating expenses, net of $15.7 million, resulting from increases in professional service fees and travel expenses.

Compensation and Benefits, Net

The following table presents compensation and benefits, net for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Salaries	$ 53,576	$ 47,843
Bonuses	45,409	48,654
Benefits and other	20,010	17,927
Reimbursements	(18,840)	(16,237)
Total Compensation and Benefits, Net	$ 100,155	$ 98,187

Compensation and benefits, net increased by $2.0 million, or 2%, for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. This change was primarily due to increased salaries of $5.7 million as a result of headcount growth.

Operating Expenses, Net

Operating expenses, net includes general and administrative expenses as well as reimbursements for professional services and travel expenses related to investment management and advisory services provided to TPG funds and monitoring services provided to our portfolio companies. Operating expenses, net were $66.0 million and $50.4 million for the three months ended March 31, 2023 and 2022, respectively, an increase of $15.7 million, or 31%, for the quarter. This change was primarily due to an increase in professional fees and other administrative expenses of $9.9 million and travel expenses of $5.7 million.

Realized Performance Allocations, Net

Realized performance allocations, net were $5.0 million during the three months ended March 31, 2023 and $122.2 million for three months ended March 31, 2022.

The following table presents realized performance allocations, net from our platforms for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Real Estate	$ 3,812	$ 24
Growth	1,097	2,187
Impact	116	14,297
Capital	—	105,623
Market Solutions	—	61
Total Realized Performance Allocations, Net	$ 5,025	$ 122,192

Realized performance allocations, net of $5.0 million for the three months ended March 31, 2023 were generated from realizations of $3.8 million from TREP III in the Real Estate platform and $1.1 million from TTAD I in the Growth platform. The activity consisted of realizations sourced from portfolio companies, including Alloy Properties, Uber (NYSE: UBER), Deutsche Office Properties, and FreedomPay.

Realized performance allocations, net for the three months ended March 31, 2022 were largely generated from realizations in TPG VII of $105.6 million in the Capital platform. Realizations within the Impact platform of $14.3 million were generated from Rise I. Realizations within the Growth platform of $2.2 million were generated from TTAD I. The activity consisted of realizations sourced from portfolio companies including McAfee, Greencross, Physicus, Novotech Holdings and Pathology Asia Holdings.

Realized Investment Income and Other, Net

The following table presents realized investment income and other, net for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Investments in TPG funds	$ 6,436	$ 34,033
Non-core income (expense)	(11,611)	(26,740)
Total Realized Investment Income and Other, Net	$ (5,175)	$ 7,293

The decrease in realized investment income and other, net of $12.5 million during the three months ended March 31, 2023 compared to the three months ended March 31, 2022 resulted primarily from less realizations from our investments in TPG funds offset by a decrease in non-core transaction related expenses. For the three months ended March 31, 2023, our non-core activity consists of $11.0 million of expenses related to the proposed transaction with Angelo, Gordon & Co., L.P. and AG Funds L.P., one-time compensation arrangements and other non-core operating income and expenses, while the non-core activity in the three months ended March 31, 2022 consisted of professional fees related to our initial public offering.

Depreciation

Depreciation expense decreased $0.4 million for the three months ended March 31, 2023 compared to the three months ended March 31, 2022.

Interest Expense, Net

The following table presents interest expense, net for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Interest expense	$ 7,418	$ 4,631
Interest (income)	(6,385)	(200)
Interest Expense, Net	$ 1,033	$ 4,431

The decrease in interest expense, net during the three months ended March 31, 2023 compared to the three months ended March 31, 2022 was primarily due to higher interest rates on our firm's cash holdings, partially offset by a corresponding increase in interest rates on certain borrowings.

Distributable Earnings

The decrease in DE for the three months ended March 31, 2023 compared to the three months ended March 31, 2022 was primarily due to lower realized performance allocations, net, partially offset by increased Fee-Related Earnings.

Income Taxes

Income taxes decreased $7.3 million for the three months ended March 31, 2023 compared to the three months ended March 31, 2022. The change in income taxes is a result of the decrease in realized performance allocations.

Unaudited Non-GAAP Balance Sheet Measures

Book assets, book liabilities and net book value are non-GAAP performance measures of TPG Operating Group's assets, liabilities and equity on a deconsolidated basis which reflects our investments in subsidiaries as equity method investments. Additionally, the book assets, book liabilities and net book value include the tax assets and liabilities of TPG Inc. We utilize these measures to assess the unrealized value of our book assets after deducting for book liabilities as well as assess our indirect interest in accrued performance allocations from our TPG funds and our co-investments in TPG funds and third-party investments. We believe these measures are useful to investors as they provide additional insight into the net assets of the TPG Operating Group on a deconsolidated basis. These non-GAAP financial measures should not be considered as a substitute for, or superior to, similar financial measures calculated in accordance with U.S. GAAP. These non-GAAP financial measures may differ from the calculations of other alternative asset managers and, as a result, may not be comparable to similar measures presented by other companies. Refer to "—Reconciliation to U.S. GAAP Measures" for reconciliations of the Condensed Consolidated Statements of Financial Condition to the non-GAAP Balance Sheet.

The following table sets forth our non-GAAP book assets, book liabilities and net book value as of March 31, 2023 and December 31, 2022:

($ in thousands)	**March 31, 2023**	**December 31, 2022**
Book Assets		
Cash and cash equivalents	$ 618,608	$ 691,687
Restricted cash	13,277	13,166
Accrued performance allocations	708,868	642,519
Investments in funds	597,384	576,814
Other assets	532,340	576,241
Total Book Assets	**$ 2,470,477**	**$ 2,500,427**
Book Liabilities		
Accounts payable, accrued expenses and other	$ 72,934	$ 48,183
Secured borrowings, net	245,336	245,259
Senior unsecured term loan, net	199,397	199,307
Total Book Liabilities	**$ 517,667**	**$ 492,749**
Net Book Value	**$ 1,952,810**	**$ 2,007,678**

During the three months ended March 31, 2023, net book value decreased primarily due to the distribution of proceeds received during the year ended December 31, 2022. This was partially offset by an increase in accrued performance allocations driven by value creation of 3%, primarily associated with TPG VII, TPG VIII and Rise Climate.

Reconciliation to U.S. GAAP Measures

The following tables reconcile the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP to non-GAAP financial measures for the three months ended March 31, 2023 and 2022:

Revenue

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
GAAP Revenue	$ 643,145	$ 1,110,710
Capital-allocation based income	(331,674)	(837,705)
Expense reimbursements	(44,249)	(32,677)
Investment income and other	(1,769)	204
Fee-Related Revenue	$ 265,453	$ 240,532

Expenses

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
GAAP Expenses	$ 620,117	$ 942,532
Depreciation and amortization expense	(8,222)	(8,699)
Interest expense	(7,418)	(4,638)
Expenses related to consolidated Public SPACs	(519)	(1,523)
Expense reimbursements	(44,249)	(32,677)
Performance allocation compensation	(221,341)	(523,138)
Equity-based compensation	(157,293)	(185,911)
Non-core expenses and other	(14,906)	(37,397)
Fee-Related Expenses	$ 166,169	$ 148,549

Net income

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Net Income	$ 35,674	$ 162,804
Net (income) loss attributable to redeemable interests in Public SPACs	(1,529)	(1,306)
Net loss attributable to other non-controlling interests	(34,582)	(118,904)
Amortization expense	3,538	3,272
Equity-based compensation	155,706	190,462
Unrealized performance allocations, net	(66,475)	(35,949)
Unrealized investment income	(9,350)	(2,591)
Unrealized (gain) loss on derivatives	66	(685)
Income taxes	2,988	(1,301)
Non-recurring items	1,806	3,231
After-tax Distributable Earnings	$ 87,842	$ 199,033
Income taxes	$ 9,128	$ 16,433
Distributable Earnings	$ 96,970	$ 215,466
Realized performance allocations, net	(5,025)	(122,192)
Realized investment income and other, net	5,175	(7,293)
Depreciation expense	1,131	1,571
Interest expense, net	1,033	4,431
Fee-Related Earnings	$ 99,284	$ 91,983

Balance sheet

The following tables reconcile the most directly comparable financial measures calculated and presented in accordance with U.S. GAAP to non-GAAP financial measures as of March 31, 2023 and December 31, 2022:

($ in thousands)	March 31, 2023	December 31, 2022
Total GAAP Assets	**$ 7,967,322**	**$ 7,941,738**
Impact of consolidated Public SPACs		
Cash and cash equivalents	(4,375)	(5,097)
Assets held in Trust Account	(656,347)	(653,635)
Due from affiliates	(45)	(45)
Other assets	(342)	(412)
Subtotal for consolidated Public SPACs	(661,109)	(659,189)
Impact of other consolidated entities		
Cash and cash equivalents	(313,337)	(415,797)
Due from affiliates	(194,592)	(211,097)
Investments	(4,224,589)	(4,110,535)
Other assets	(173,254)	(134,505)
Subtotal for other consolidated entities	(4,905,772)	(4,871,934)
Reclassification adjustments [(1)]		
Due from affiliates	1,450	8,458
Investments	(1,306,252)	(1,219,333)
Accrued performance allocations	708,868	642,519
Investments in funds	597,384	576,814
Other assets	68,586	81,354
Subtotal for reclassification adjustments	70,036	89,812
Total Book Assets	**$ 2,470,477**	**$ 2,500,427**

($ in thousands)	March 31, 2023	December 31, 2022
Total GAAP Liabilities	**$ 4,309,531**	**$ 4,202,232**
Impact of consolidated Public SPACs		
Accounts payable and accrued expenses	(262)	(236)
Derivative liabilities of Public SPACs	(1,417)	(667)
Deferred underwriting	(22,750)	(22,750)
Subtotal for consolidated Public SPACs	(24,429)	(23,653)
Impact of other consolidated entities		
Accounts payable and accrued expenses	(127,262)	(90,685)
Due to affiliates	(226,855)	(134,562)
Accrued performance allocation compensation	(3,225,492)	(3,269,889)
Other liabilities	(202,008)	(206,276)
Subtotal for other consolidated entities	(3,781,617)	(3,701,412)
Reclassification adjustments (1)		
Accounts payable and accrued expenses	50,445	40,698
Due to affiliates	(5,960)	(5,301)
Other liabilities	(30,303)	(19,815)
Subtotal for reclassification adjustments	14,182	15,582
Total Book Liabilities	**$ 517,667**	**$ 492,749**
Total GAAP redeemable equity from consolidated Public SPACs	**$ 656,347**	**$ 653,635**
Impact of consolidated Public SPACs (2)	(656,347)	(653,635)
Total Book redeemable equity from consolidated Public SPACs	**$ —**	**$ —**
Total GAAP Equity	**$ 3,001,444**	**$ 3,085,871**
Impact of consolidated Public SPACs	19,667	18,099
Impact of other consolidated entities	(1,124,155)	(1,170,522)
Reclassification adjustments (1)	55,854	74,230
Net Book Value	**$ 1,952,810**	**$ 2,007,678**

(1) Certain amounts were reclassified to reflect how we utilize our non-GAAP balance sheet measures. We separately analyze our investments on a non-GAAP basis between accrued performance fees and other investments, which consists of co-investments into our funds and other equity method investments. Additionally, we reclassified U.S. GAAP financial statement amounts due from affiliates and certain amounts within other assets, net for non-GAAP purposes and reclassified U.S. GAAP financial statement amounts due to affiliates and other liabilities within accounts payable, accrued expenses and other for non-GAAP purposes.

(2) The $656.3 million and $653.6 million redeemable equity, respectively, represent ownership interest in each SPAC that is not owned by the TPG Operating Group and is presented separately from U.S. GAAP partners' capital in the accompanying Condensed Consolidated Statements of Financial Condition.

Operating Metrics

We monitor certain operating metrics that are common to the asset management industry and that we believe provide important data regarding our business. The following operating metrics do not include those of our former affiliate or other investments that will not be included in the TPG Operating Group.

Assets Under Management

AUM represents the sum of (i) fair value of the investments and financial instruments held by our funds managed or advised by us, plus the capital that we are entitled to call from investors in those funds and co-investors, pursuant to the terms of their respective capital commitments, net of outstanding leverage, including capital commitments to funds that have yet to commence their investment periods; (ii) the net asset value of our hedge funds; (iii) the gross amount of assets for our mortgage REIT and collateralized fundraising vehicles; and (iv) IPO proceeds held in trust, excluding interest, as well as forward purchase agreements and proceeds associated with the private investment in public equity related to our SPACs upon the consummation of a business combination. Our definition of AUM is not based on any definition of AUM that may be set forth in the agreements governing the investment funds that we manage or calculated pursuant to any regulatory definitions.

The tables below present rollforwards of our total AUM for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in millions)	
Balance as of Beginning of Period	$ 135,034	$ 113,618
Capital Raised	2,025	5,448
Realizations	(2,340)	(4,787)
Changes in Investment Value [1]	2,423	6,120
AUM as of end of period	$ 137,142	$ 120,399

(1) Changes in investment value consists of changes in fair value, capital invested and available capital and other investment activities, including the change in net asset value of our hedge funds.

The following table summarizes our AUM by platform as of March 31, 2023 and 2022:

	As of March 31,	
	2023	2022
	($ in millions)	
Capital	$ 67,712	$ 56,770
Growth	23,587	22,099
Real Estate	19,336	17,812
Impact	17,408	13,806
Market Solutions	9,099	9,912
AUM as of end of period	$ 137,142	$ 120,399

AUM increased from approximately $135.0 billion as of December 31, 2022 to approximately $137.1 billion as of March 31, 2023. During the three months ended March 31, 2023, new capital of $2.0 billion was raised and primarily attributable to TPG IX within the Capital platform, TTAD II and LSI within the Growth platform and Rise III within the Impact platform. Realizations totaled $2.3 billion and were primarily attributable to TPG VI within the Capital platform and TRTX and TREP III within the Real Estate platform. AUM also increased due to portfolio appreciation of 3% recognized for the three months ended March 31, 2023.

Fee Earning Assets Under Management

Fee earning AUM or FAUM represents only the AUM from which we are entitled to receive management fees. FAUM is the sum of all the individual fee bases that are used to calculate our management fees and differs from AUM in the following respects: (i) assets and commitments from which we are not entitled to receive a management fee are excluded (e.g., assets and commitments with respect to which we are entitled to receive only performance allocations or are otherwise not currently entitled to receive a management fee) and (ii) certain assets, primarily in our private equity funds, are reflected based on capital commitments and invested capital as opposed to fair value because fees are generally not impacted by changes in the fair value of underlying investments. We believe this measure is useful to investors as it provides additional insight into the capital base upon which we earn management fees. Our definition of FAUM is not based on any definition of AUM or FAUM that is set forth in the agreements governing the investment funds and products that we manage.

The table below present rollforwards of our FAUM for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in millions)	
Balance as of Beginning of Period	$ 77,945	$ 60,094
Fee Earning Capital Raised[1]	791	4,788
Net Change in Actively Invested Capital[2]	109	(677)
FAUM as of end of period	$ 78,845	$ 64,205

(1) Fee Earning Capital Raised represents capital raised by our funds for which management fees calculated based on commitments were activated during the period.

(2) Net Change in Actively Invested Capital includes capital invested during the period, net of return of capital distributions and changes in net asset value of hedge funds. It also includes adjustments related to funds with a fee structure based on the lower of cost or fair value.

The following table summarizes our FAUM by platform as of March 31, 2023 and 2022:

	As of March 31,	
	2023	2022
	($ in millions)	
Capital	$ 35,678	$ 25,483
Real Estate	13,400	10,744
Impact	12,984	11,222
Growth	11,084	10,672
Market Solutions	5,699	6,084
FAUM as of end of period	$ 78,845	$ 64,205

FAUM increased from $77.9 billion as of December 31, 2022 to $78.8 billion as of March 31, 2023. The increase was related to fee earning capital raised activity totaling $0.8 billion primarily attributable to the activation of TPG IX within the Capital platform, which was activated during the third quarter of 2022. The increase was also attributable to the the activation of Rise III in the Impact platform, which was activated during the second quarter of 2022 and the activation of LSI in the Growth platform, which was activated during the first quarter of 2023. For the three months ended March 31, 2023, annualized weighted average management fees as a percentage of FAUM, which represent annualized management fees divided by the average of each applicable period's FAUM, were 1.27%.

Net Accrued Performance Allocations

Net accrued performance allocations represents both unrealized and undistributed performance allocations resulting from our general partner interests in our TPG funds.

The table below summarizes our net accrued performance allocations by fund vintage year and platform as of March 31, 2023 and December 31, 2022:

	March 31, 2023	December 31, 2022
	($ in millions)	
Fund Vintage		
2017 & Prior	$ 310	$ 298
2018	49	54
2019	223	193
2020	70	62
2021	55	35
2022	2	1
Net Accrued Performance Allocations	$ 709	$ 643

	March 31, 2023	December 31, 2022
	($ in millions)	
Platform		
Capital	$ 406	$ 362
Growth	164	162
Impact	80	62
Real Estate	26	30
Market Solutions	33	27
Net Accrued Performance Allocations	$ 709	$ 643

Net accrued performance allocations were primarily comprised of TPG VII, TPG VIII, Asia VII, Growth IV and Rise I as of March 31, 2023 and TPG VII, TPG VIII, Asia VII and Growth IV as of December 31, 2022.

We also utilize Performance Allocation Generating AUM and Performance Allocation Eligible AUM as key metrics to understand AUM that could produce performance allocations. Performance Allocation Generating AUM refers to the AUM of funds we manage that are currently above their respective hurdle rate or preferred return, and profit of such funds are being allocated to, or earned by, us in accordance with the applicable limited partnership agreements or other governing agreements. Performance Allocation Eligible AUM refers to the AUM that is currently, or may eventually, produce performance allocations. All funds for which we are entitled to receive a performance allocation or incentive fee are included in Performance Allocations Eligible AUM.

Performance Allocation Generating AUM totaled $93.6 billion and $85.3 billion as of March 31, 2023 and December 31, 2022, respectively. Across our TPG funds, Performance Allocation Eligible AUM totaled $121.2 billion and $121.0 billion as of March 31, 2023 and December 31, 2022, respectively.

AUM Subject to Fee Earning Growth

AUM Subject to Fee Earning Growth represents capital commitments that when deployed have the ability to grow our fees through earning new management fees (AUM Not Yet Earning Fees) or when capital is invested and management fees can be charged at a higher rate (FAUM Subject to Step-Up).

AUM Not Yet Earning Fees represents the amount of capital commitments to TPG investment funds and co-investment vehicles that has not yet been invested or considered active, and as this capital is invested or activated, the fee-paying portion will be included in FAUM. FAUM Subject to Step-Up represents capital raised within certain funds where the management fee rate increases once capital is invested. Subject to certain limitations, limited partners in these funds pay a lower fee on committed and undrawn capital. As capital is drawn down for investments, the fees paid on that capital increases. FAUM Subject to Step-Up is included within FAUM.

The table below reflects AUM Subject to Fee Earning Growth by platform as of March 31, 2023 and December 31, 2022:

	March 31, 2023	December 31, 2022
	($ in millions)	
AUM Not Yet Earning Fees:		
Capital	$ 3,598	$ 3,551
Growth	2,997	2,863
Real Estate	1,182	1,172
Market Solutions	1,038	1,573
Impact	817	939
Total AUM Not Yet Earning Fees	$ 9,632	$ 10,098
FAUM Subject to Step-Up:		
Capital	$ 2,146	$ 2,129
Real Estate	989	777
Total FAUM Subject to Step-Up:	3,135	2,906
Total AUM Subject to Fee Earning Growth	$ 12,767	$ 13,004

As of March 31, 2023, AUM Not Yet Earning Fees was $9.6 billion, which primarily consisted of TPG VII, TPG VIII and Asia VII within the Capital platform, TTAD II and TDM within the Growth platform, TAC+ within the Real Estate platform and TPG NEXT within the Impact platform.

Associated with FAUM Subject to Step-Up, management fee rates on undrawn commitments for these respective underlying TPG funds range between 0.75% and 1.00% and step-up to rates in the range of 1.25% and 1.75% after capital is invested. FAUM Subject to Step-Up as of March 31, 2023 relates to TPG IX and THP II within the Capital platform and TREP III within the Real Estate platform.

Capital Raised

Capital raised is the aggregate amount of capital commitments raised by TPG's investment funds and co-investment vehicles during a given period, as well as IPO and forward purchase agreements associated with our Public SPACs and private investment in public equity upon the consummation of a business combination associated with one of our Public SPACs. We believe this measure is useful to investors as it measures access to capital across TPG and our ability to grow our management fee base. The table below presents capital raised by platform for three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in millions)	
Capital	$ 1,023	$ 233
Growth	398	49
Impact	360	528
Market Solutions	193	74
Real Estate	51	4,564
Total Capital Raised	$ 2,025	$ 5,448

Capital raised totaled approximately $2.0 billion for the three months ended March 31, 2023. This was primarily attributable to the fundraising activities of TPG IX within the Capital platform, TTAD II and LSI within the Growth platform and Rise III within the Impact platform during the three months ended March 31, 2023.

Available Capital

Available capital is the aggregate amount of unfunded capital commitments that partners have committed to our funds and co-invest vehicles to fund future investments, as well as IPO and forward purchase agreement proceeds associated with our Public SPACs, and private investment in public equity commitments by investors upon the consummation of a business combination associated with our Public SPACs. Available capital is reduced for investments completed using fund-level financing arrangements; however, it is not reduced for investments that we have committed to make yet remain unfunded at the reporting date. We believe this measure is useful to investors as it provides additional insight into the amount of capital that is available to our investment funds and co-investment vehicles to make future investments. The table below presents available capital by platform as of as of March 31, 2023 and 2022:

	As of March 31,	
	2023	2022
	($ in millions)	
Capital	$ 20,154	$ 9,507
Real Estate	8,778	6,746
Impact	6,750	6,907
Growth	4,467	4,644
Market Solutions	2,502	2,461
Available Capital	$ 42,651	$ 30,265

Available capital decreased from approximately $43.0 billion as of December 31, 2022 to approximately $42.7 billion as of March 31, 2023. The change was attributable to capital invested in Asia VIII within the Capital platform, TREP III within the Real Estate platform, Rise Climate within the Impact platform and Growth V within the Growth platform, partially offset by the fundraising activities of TPG IX within the Capital platform, TREP III within the Real Estate platform, Rise III within the Impact platform, and TTAD II and LSI within the Growth platform during the three months ended March 31, 2023.

Capital Invested

Capital invested is the aggregate amount of capital invested during a given period by TPG's investment funds, co-investment vehicles and SPACs in conjunction with the completion of a business combination. It excludes hedge fund activity. Capital invested includes investments made using investment financing arrangements like credit facilities, as applicable. The table below presents capital invested by platform for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in millions)	
Impact	$ 1,160	$ 1,528
Real Estate	363	587
Capital	341	1,800
Growth	242	442
Market Solutions	145	91
Capital Invested	$ 2,251	$ 4,448

Capital invested was $2.3 billion for the three months ended March 31, 2023, which was primarily attributable to Rise Climate within the Impact platform, Asia VIII within the Capital platform, TREP III and TRTX within the Real Estate platform and Growth V within the Growth platform.

Realizations

Realizations represent the aggregate investment proceeds generated by our TPG investment funds and co-investment vehicles and Public SPACs in conjunction with the completion of a business combination. The table below presents realizations by platform for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
	($ in millions)	
Capital	$ 1,191	$ 3,
Real Estate	848	
Growth	233	
Impact	57	
Market Solutions	11	
Total Realizations	$ 2,340	$ 4,

Realizations totaled $2.3 billion for the three months ended March 31, 2023 and were primarily attributable to TPG VI within the Capital platform and TRTX and TREP III within the Real Estate platform.

Fund Performance Metrics

Fund performance information for our investment funds as of March 31, 2023 is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. These fund performance metrics do not include co-investment vehicles. The fund return information for individual funds reflected in this discussion and analysis is not necessarily indicative of our firmwide performance and is also not necessarily indicative of the future performance of any particular fund. An investment in us is not an investment in any of our funds. This track record presentation is unaudited and does not purport to represent the respective fund's financial results in accordance with U.S. GAAP. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns. See "Item 1A.Risk Factors—Risks Related to Our Business—Our funds' historical returns should not be considered as indicative of our or our funds' future results or of any returns expected on an investment in our Class A common stock" in our Annual Report on Form 10-K for the year ended December 31, 2022.

The following tables reflect the performance of our funds as of March 31, 2023:

Fund	Vintage Year [1]	Capital Committed [2]	Capital Invested [3]	Realized Value [4]	Unrealized Value [5]	Total Value [6]	Gross IRR [7]	Gross MoM [7]	Net IRR [8]	Investor Net MoM [9]
	($ in millions)									
Platform: Capital										
Capital Funds										
Air Partners	1993	$ 64	$ 64	$ 697	$ —	$ 697	81 %	10.9x	73 %	8.9x
TPG I	1994	721	696	3,095	—	3,095	47 %	4.4x	36 %	3.5x
TPG II	1997	2,500	2,554	5,010	—	5,010	13 %	2.0x	10 %	1.7x
TPG III	1999	4,497	3,718	12,360	—	12,360	34 %	3.3x	26 %	2.6x
TPG IV	2003	5,800	6,157	13,733	—	13,733	20 %	2.2x	15 %	1.9x
TPG V	2006	15,372	15,564	22,071	1	22,072	6 %	1.4x	5 %	1.4x
TPG VI	2008	18,873	19,220	33,327	217	33,544	14 %	1.7x	10 %	1.5x
TPG VII	2015	10,495	10,055	19,342	4,580	23,922	27 %	2.3x	21 %	1.9x
TPG VIII	2019	11,505	10,646	2,865	14,563	17,428	50 %	1.7x	33 %	1.5x
TPG IX	2022	9,265	513	—	659	659	NM	NM	NM	NM
Capital Funds		*79,092*	*69,187*	*112,500*	*20,020*	*132,520*	*23 %*	*1.9x*	*15 %*	*1.7x*

Fund	Vintage Year (1)	Capital Committed (2)	Capital Invested (3)	Realized Value (4)	Unrealized Value (5)	Total Value (6)	Gross IRR (7)	Gross MoM (7)	Net IRR (8)	Investor Net MoM (9)
		($ in millions)								
Asia Funds										
Asia I	1994	96	78	71	—	71	(3) %	0.9x	(10) %	0.7x
Asia II	1998	392	764	1,669	—	1,669	17 %	2.2x	14 %	1.9x
Asia III	2000	724	623	3,316	—	3,316	46 %	5.3x	31 %	3.8x
Asia IV	2005	1,561	1,603	4,089	—	4,089	23 %	2.6x	17 %	2.1x
Asia V	2007	3,841	3,257	5,221	353	5,574	10 %	1.7x	6 %	1.4x
Asia VI	2012	3,270	3,244	2,655	4,481	7,136	17 %	2.2x	13 %	1.8x
Asia VII	2017	4,630	4,344	1,922	5,823	7,745	26 %	1.8x	17 %	1.5x
Asia VIII	2022	3,429	557	—	541	541	NM	NM	NM	NM
Asia Funds		*17,943*	*14,470*	*18,943*	*11,198*	*30,141*	*21 %*	*2.1x*	*15 %*	*1.7x*
Healthcare Funds										
THP I	2019	2,704	2,405	821	2,824	3,645	44 %	1.6x	26 %	1.3x
THP II	2022	2,015	225	—	289	289	NM	NM	NM	NM
Healthcare Funds		4,719	2,630	821	3,113	3,934	*44 %*	*1.6x*	*26 %*	*1.3x*
Continuation Vehicles										
TPG AAF	2021	1,317	1,314	97	2,560	2,657	56 %	2.0x	47 %	1.8x
TPG AION	2021	207	207	—	207	207	0 %	1.0x	(1) %	1.0x
Continuation Vehicles		*1,524*	*1,521*	*97*	*2,767*	*2,864*	*49 %*	*1.9x*	*41 %*	*1.7x*
Platform: Capital (excl-Legacy (15))		***103,278***	***87,808***	***132,361***	***37,098***	***169,459***	***23 %***	***2.0x***	***15 %***	***1.7x***
Legacy Funds										
TES I	2016	303	206	219	164	383	27 %	1.8x	19 %	1.6x
Platform: Capital		**103,581**	**88,014**	**132,580**	**37,262**	**169,842**	**23 %**	**2.0x**	**15 %**	**1.7x**
Platform: Growth										
Growth Funds										
STAR	2007	1,264	1,259	1,862	64	1,926	13 %	1.5x	6 %	1.3x
Growth II	2011	2,041	2,184	4,718	622	5,340	22 %	2.5x	16 %	2.0x
Growth III	2015	3,128	3,325	4,646	2,319	6,965	28 %	2.1x	19 %	1.7x
Growth IV	2017	3,739	3,576	1,836	4,634	6,470	24 %	1.8x	16 %	1.5x
Gator	2019	726	686	645	635	1,280	37 %	1.9x	28 %	1.6x
Growth V	2020	3,558	2,577	320	3,324	3,644	34 %	1.5x	21 %	1.3x
Growth Funds		*14,456*	*13,607*	*14,027*	*11,598*	*25,625*	*21 %*	*1.9x*	*14 %*	*1.6x*
Tech Adjacencies Funds										
TTAD I	2018	1,574	1,497	875	1,851	2,726	33 %	1.8x	26 %	1.6x
TTAD II	2021	3,198	1,595	—	1,664	1,664	6 %	1.0x	(2) %	1.0x
Tech Adjacencies Funds		*4,772*	*3,092*	*875*	*3,515*	*4,390*	*30 %*	*1.5x*	*23 %*	*1.3x*
TDM	2017	1,326	443	—	1,051	1,051	26 %	2.4x	21 %	2.0x
LSI	2023	148	8	—	8	8	NM	NM	NM	NM
Platform: Growth (excl-Legacy (15))		***20,702***	***17,150***	***14,902***	***16,172***	***31,074***	***21 %***	***1.9x***	***15 %***	***1.6x***
Legacy Funds										
Biotech III	2008	510	468	995	345	1,340	16 %	2.9x	12 %	2.3x
Biotech IV	2012	106	99	121	3	124	7 %	1.3x	2 %	1.1x
Biotech V	2016	88	81	27	48	75	(2) %	0.9x	(6) %	0.8x
ART	2013	258	241	35	174	209	(2) %	0.9x	(6) %	0.7x
Platform: Growth		**21,664**	**18,039**	**16,080**	**16,742**	**32,822**	**20 %**	**1.9x**	**14 %**	**1.6x**

Fund	Vintage Year (1)	Capital Committed (2)	Capital Invested (3)	Realized Value (4)	Unrealized Value (5)	Total Value (6)	Gross IRR (7)	Gross MoM (7)	Net IRR (8)	Investor Net MoM (9)
		($ in millions)								
Platform: Impact										
The Rise Funds										
Rise I	2017	2,106	1,955	1,283	2,469	3,752	23 %	1.9x	15 %	1.6x
Rise II	2020	2,176	1,895	99	2,542	2,641	34 %	1.4x	20 %	1.3x
Rise III	2022	2,146	451	—	465	465	NM	NM	NM	NM
The Rise Funds		*6,428*	*4,301*	*1,382*	*5,476*	*6,858*	*25 %*	*1.7x*	*16 %*	*1.4x*
TSI	2018	333	133	368	—	368	35 %	2.8x	25 %	2.1x
Evercare	2019	621	419	23	461	484	4 %	1.2x	(1) %	1.0x
Rise Climate	2021	7,268	2,877	54	3,556	3,610	98 %	1.4x	39 %	1.2x
TPG NEXT (19)	2022	510	—	—	—	—	NM	NM	NM	NM
Platform: Impact		**15,160**	**7,730**	**1,827**	**9,493**	**11,320**	**26 %**	**1.6x**	**16 %**	**1.3x**
Platform: Real Estate										
TPG Real Estate Partners										
DASA RE	2012	1,078	576	1,069	—	1,069	21 %	1.9x	15 %	1.6x
TREP II	2014	2,065	2,213	3,193	370	3,563	28 %	1.7x	19 %	1.5x
TREP III	2018	3,722	4,084	2,362	2,902	5,264	20 %	1.4x	14 %	1.3x
TREP IV	2022	6,820	561	14	548	562	(10) %	1.0x	(73) %	0.7x
TPG Real Estate Partners		*13,685*	*7,434*	*6,638*	*3,820*	*10,458*	*23 %*	*1.5x*	*15 %*	*1.3x*
TRTX	2014	1,916 (14)	NM	NM	NM	NM	NM	NM	NM	NM
TAC+	2021	1,797	915	88	873	961	4 %	1.0x	1 %	1.0x
Platform: Real Estate		**17,398**	**8,349**	**6,726**	**4,693**	**11,419**	**23 %**	**1.5x**	**15 %**	**1.3x**
Platform: Market Solutions										
NewQuest I (18)	2011	390	291	767	—	767	48 %	3.2x	37 %	2.3x
NewQuest II (18)	2013	310	342	571	160	731	25 %	2.2x	19 %	1.8x
NewQuest III (18)	2016	541	523	374	530	904	16 %	1.7x	10 %	1.4x
NewQuest IV (18)	2020	1,000	795	115	1,014	1,129	36 %	1.4x	20 %	1.2x
NewQuest V (18)	2022	378	51	—	50	50	NM	NM	NM	NM
NewQuest Funds		*2,619*	*2,002*	*1,827*	*1,754*	*3,581*	*37 %*	*1.9x*	*25 %*	*1.5x*
TPEP Long/Short	NM	NM	NM	NM	2,112	NM	NM (13)	NM	NM (13)	NM
TPEP Long Only	NM	NM	NM	NM	1,700	NM	NM (13)	NM	NM (13)	NM
TSCF	2021	609	208	6	199	205	(1) %	1.0x	(2) %	1.0x
TGS (18)	2022	512	97	—	111	111	NM	NM	NM	NM
TPG TIGER (18)	2022	300	15	—	12	12	NM	NM	NM	NM
TPG TIGER 2 (19)	2022	130	—	—	—	—	NM	NM	NM	NM
Platform: Market Solutions (12)		**4,170**	**2,322**	**1,833**	**5,888**	**3,909**	**37 %**	**1.8x**	**24 %**	**1.5x**
Discontinued Funds (16)		*5,870*	*4,103*	*5,303*	—	*5,303*	*7 %*	*1.3x*	*3 %*	*1.1x*
Total (excl-Legacy (15) and Discontinued Funds (16))		***160,708***	***123,359***	***157,649***	***73,344***	***227,181***	**23 %**	**1.9x**	**15 %**	**1.6x**
Total		**$ 167,843**	**$ 128,557**	**$ 164,349**	**$ 74,078**	**$ 234,615**	**22 %**	**1.9x**	**14 %**	**1.6x**

Note: Past performance is not indicative of future results.

(1) Vintage Year, with respect to an investment or group of investments, as applicable, represents the year such investment, or the first investment in such a group, was initially consummated by the fund. For follow-on investments, Vintage Year represents the year that the fund's first investment in the relevant company was initially consummated. Vintage Year, with respect to a fund, represents the year in which the fund consummated its first investment (or, if earlier, received its first capital contributions from investors). We adopted this standard for fund Vintage Year to better

align with current market and investor benchmarking practices. For consistency with prior reporting, however, the Vintage Year classification of any fund that held its initial closing before 2018 remains unchanged and represents the year of such fund's initial closing.

(2) Capital Committed represents the amount of inception to date commitments a particular fund has received.

(3) Capital Invested, with respect to an investment or group of investments, as applicable, represents cash outlays by the fund for such investment or investments (whether funded through investor capital contributions or borrowing under the fund's credit facility), including capitalized expenses and unrealized bridge loans allocated to such investment or investments. Capital Invested may be reduced after the date of initial investment as a result of sell-downs. This does not include proceeds eligible for recycling under fund limited partnership agreements. Capital Invested does not include interest expense on borrowing under the fund's credit facility.

(4) Realized Value, with respect to an investment or group of investments, as applicable, represents total cash received or earned by the fund in respect of such investment or investments through the quarter end, including all interest, dividends and other proceeds. Receipts are recognized when cash proceeds are received or earned. Proceeds from an investment that is subject to pending disposition are not included in Realized Value and remain in Unrealized Value until the disposition has been completed and cash has been received. Similarly, any proceeds from an investment that is pending liquidation, or a similar event are not included in Realized Value until the liquidation or similar event has been completed. In addition, monitoring, transaction and other fees are not included in Realized Value but are applied to offset management fees to the extent provided in the fund's partnership agreement.

(5) Unrealized Value, with respect to an investment in a publicly traded security, is based on the closing market price of the security as of the quarter end on the principal exchange on which the security trades, as adjusted by the general partner for any restrictions on disposition. Unrealized Value, with respect to an investment that is not a publicly traded security, represents the general partner's estimate of the unrealized fair value of the fund's investment, assuming a reasonable period of time for liquidation of the investment, and taking into consideration the financial condition and operating results of the portfolio company, the nature of the investment, applicable restrictions on marketability, market conditions, foreign currency exposures and other factors the general partner may deem appropriate. Where applicable, such estimate has been adjusted from cost to reflect (i) company performance relative to internal performance markers and the performance of comparable companies; (ii) market performance of comparable companies; and (iii) recent, pending or proposed transactions involving us, such as recapitalizations, initial public offerings or mergers and acquisitions. Given the nature of private investments, valuations necessarily entail a degree of uncertainty and/or subjectivity. There can be no assurance that expected transactions will actually occur or that performance markers will be achieved, and therefore actual value may differ from such estimated value and these differences may be material and adverse. Except as otherwise noted, valuations are as of the quarter end.

(6) Total Value, with respect to an investment or group of investments, as applicable, is the sum of Realized Value and Unrealized Value of such investment or investments.

(7) Gross IRR and Gross MoM are calculated by adjusting Net IRR and Investor Net MoM to generally approximate investor performance metrics excluding management fees, fund expenses (other than interest expense and other fees arising from amounts borrowed under the fund's credit facility to fund investments) and performance allocations. With respect to interest expense and other fees arising from amounts borrowed under the fund's credit facility to fund investments, we have assumed that investor capital contributions were made in respect thereof as of the midpoint of each relevant quarter in which such amounts were incurred. We have further assumed that distributions to investors occurred in the middle of the month in which the related proceeds were received by the fund. Like the Net IRR, Gross IRR and Gross MoM (i) do not reflect the effect of taxes borne, or to be borne, by investors and (ii) excludes amounts attributable to the fund's general partner, its affiliated entities and "friends of the firm" entities that generally pay no or reduced management fees and performance allocations. Such Gross IRR and Gross MoM represent an average of returns for all included investors and does not necessarily reflect the actual return of any particular investor. Gross IRR and Gross MoM are an approximation calculated by adjusting historical data using estimates and assumptions that we believe are appropriate for the relevant fund, but that inherently involve significant judgment. For funds that engaged in de minimis or no fund-level borrowing, Gross IRR is the discount rate at which (i) the present value of all Capital Invested in an investment or investments is equal to (ii) the present value of all realized and unrealized returns from such investment or investments. In this scenario, Gross IRR, with respect to an investment or investments, has been calculated based on the time that capital was invested by the fund in such investment or investments and that distributions were received by the fund in respect of such investment or investments, regardless of when capital was contributed to or distributed from the fund. Gross IRR does not reflect the effect of management fees, fund expenses, performance allocations or taxes borne, or to be borne, borne, by investors in the fund and would be lower if it did. For funds that engaged in de minimis or no fund-level borrowing, Gross MoM represents the multiple-of-money on capital invested by the fund for an investment or investments and is calculated as Total Value divided by Capital Invested (i.e., cash outlays by the fund for such investment or investments, whether funded through investor capital contributions or borrowing under the fund's credit facility). Gross MoM is calculated on a gross basis and does not reflect the effect of management fees, fund expenses, performance allocations or taxes borne, or to be borne, by investors in the fund, and would be lower if it did.

(8) Net IRR represents the compound annualized return rate (i.e., the implied discount rate) of a fund, which is calculated using investor cash flows in the fund, including cash received from capital called from investors, cash distributed to investors and the investors' ending capital balances as of the quarter end. Net IRR is the discount rate at which (i) the present value of all capital contributed by investors to the fund (which excludes, for the avoidance of doubt, any amounts borrowed by the fund in lieu of calling capital) is equal to (ii) the present value of all cash distributed to investors and the investors' ending capital balances. Net IRR reflects the impact of management fees, fund expenses (including interest expense arising from amounts borrowed under the fund's credit facility) and performance allocations, but does not reflect the effect of taxes borne, or to be borne, by investors. The Net IRR calculation assumes that investor contributions and distributions occurred in the middle of the month in which they were made. The Net IRR calculation excludes amounts attributable to the general partner, its affiliated entities and "friends of the firm" entities that generally pay no or reduced management fees and performance allocations. Net IRR represents an average return for all included investors, including those that pay reduced management fees and/or carried interest, and does not necessarily reflect the actual return of any particular investor. An actual investor that paid management fees and/or carried interest at rates higher than the average would have a lower individual Net IRR. In addition, management fees, fund expenses and carried interest differ from fund to fund, and therefore the impact of such amounts in a particular fund should not be assumed to reflect the impact such amounts would have on any other fund, including in respect of any fund in which a prospective investor is considering an investment. Net IRR for a platform does not include the cash flows for funds that are not currently presenting a Net IRR to their investors.

(9) Investor Net MoM, with respect to a fund, represents the multiple-of-money on contributions to the fund by investors. Investor Net MoM is calculated as the sum of cash distributed to investors and the investors' ending capital balances as of the quarter end, divided by the amount of capital contributed to the fund by investors (which amount excludes, for the avoidance of doubt, any amounts borrowed by the fund in lieu of calling capital). Investor Net MoM reflects the impact of management fees, fund expenses (including interest expense arising from amounts borrowed under the fund's credit facility) and performance allocations, but does not reflect the effect of taxes borne, or to be borne, by investors. The Investor Net MoM calculation excludes amounts attributable to the fund's general partner, its affiliated entities and "friends of the firm" entities that generally pay no or reduced management fees and performance allocations. Investor Net MoM represents an average multiple-of-money for all included investors and does not necessarily reflect the actual return of any particular investor. An actual investor that paid management fees and/or carried interest at rates higher than the average would have a lower individual net MoM. In addition, management fees, fund expenses and carried interest differ from fund to fund, and therefore the impact of such amounts in a particular fund should not be assumed to reflect the impact such amounts would have on any other fund, including in respect of any fund in which a prospective investor is considering an investment.

(10) "NM" signifies that the relevant data would not be meaningful. Performance metrics are generally deemed "NM" for an investment or group of investments when, among other reasons, a fund is in its initial period of operation, or the holding period of the investment or investments is in its initial period of holding, which in each case we typically determine to mean up to twelve months, or the investment or investments do not have a significant cost basis. IRR metrics are generally deemed "NM" prior to the fund calling capital for the applicable investment(s).

(11) Amounts shown are in US dollars. When an investment is made in another currency, (i) Capital Invested is calculated using the exchange rate at the time of the investment, (ii) Unrealized Value is calculated using the exchange rate at the quarter end and (iii) Realized Value reflects actual US dollar proceeds to the fund. A fund may enter into foreign currency hedges in connection with an investment made in a currency other than US dollars. Capital Invested with respect to such investment includes the cost of establishing foreign currency hedges. For hedges entered into to facilitate payment of the purchase price for an investment, gains or losses on such hedges are applied, respectively, to reduce or increase Capital Invested with respect to such investment. Thereafter during the life of such investment, (i) Capital Invested includes any inception-to-date net realized losses on such hedges, (ii) Unrealized Value includes the unrealized fair value of such hedges as estimated by the general partner and (iii) Realized Value includes any inception-to-date net realized gain on such hedges. For hedges entered into in anticipation of receipt of exit proceeds, (i) losses on such hedges are first applied to offset exit proceeds, with any remaining losses applied to increase Capital Invested and (ii) gains on such hedges are first applied to reverse any inception-to-date net realized losses that were previously included in Capital Invested, with any remaining gains applied to increase Realized Value. Where a foreign currency hedge is implemented as part of the investment structure below the fund, such hedge is similarly reflected in Capital Invested and Realized Value to the extent that there are corresponding cash outflows from and inflows to the fund in respect of such hedge, and otherwise is included in Unrealized Value.

(12) Our special purpose acquisition companies ("SPACs") which include Pace Holdings Corp., TPG Pace Holdings Corp., TPG Pace Tech Opportunities Corp., TPG Pace Beneficial Finance Corp., TPG Pace Energy Holdings Corp., TPG Pace Solutions Corp., TPG Pace Beneficial II Corp. and AfterNext HealthTech Acquisition Corp. within the Market Solutions platform are not reflected. Gross IRR, Gross MoM and Net IRR are not meaningful for SPAC products as they are designed to identify an investment and merge to become a public company.

(13) As of March 31, 2023, TPEP Long/Short had estimated inception-to-date gross returns of 153% and net returns of 113%. These performance estimates represent the composite performance of TPG Public Equity Partners, LP and TPG Public Equity Partners Master Fund, L.P., adjusted as described below. The performance estimates are based on an investment in TPG Public Equity Partners, LP made on September 1, 2013, the date of TPEP's inception, with the performance estimates for the period from January 1, 2016 to present being based on an investment in TPG Public Equity Partners Master Fund, L.P. made through TPG Public Equity Partners-A, L.P., the "onshore feeder." Gross performance figures (i) are presented after any investment-related expenses, net interest, other expenses and the reinvestment of dividends; (ii) include any gains or losses from "new issue" securities; and (iii) are adjusted for illustration purposes to reflect the reduction of a hypothetical 1.5% annual management fee. Net performance assumes a 20% performance allocation. Performance results for a particular investor may vary from the performance stated as a result of, among other things, the timing of its investment(s) in TPEP, different performance allocation terms, different management fees, the feeder through which the investor invests and the investor's eligibility to participate in gains and losses from "new issue" securities. Unrealized Value represents net asset value before redemptions.

As of March 31, 2023, TPEP Long Only had estimated inception-to-date gross returns of 24% and net returns of 24%. These performance estimates represent performance for TPEP Long Only and are based on an investment in TPEP Long Only made on May 1, 2019, the date of TPEP Long Only's inception, through TPG Public Equity Partners Long Opportunities-A, L.P., the "onshore feeder." Gross performance figures are presented after any investment-related expenses, a 1% annual management fee, net interest, other expenses and the reinvestment of dividends, and include any gains or losses from "new issue" securities. Net performance assumes a 20% performance allocation, with the performance allocation only received upon outperforming the relevant benchmark. Performance results for a particular investor may vary from the performance stated as a result of, among other things, the timing of its investment(s) in TPEP Long Only, different performance allocation terms, different management fees, the feeder through which the investor invests and the investor's eligibility to participate in gains and losses from "new issue" securities. Unrealized Value represents net asset value before redemptions.

(14) Capital Committed for TRTX includes $1,201 million of private capital raised prior to TRTX's initial public offering in July 2017 and $716 million issued during and subsequent to TRTX's initial public offering.

(15) Legacy funds represent funds whose strategies are not expected to have successor funds but that have not yet been substantially wound down.

(16) Discontinued funds represent legacy funds that have substantially been wound down or are fully liquidated. The following TPG funds are considered discontinued: Latin America, Aqua I, Aqua II, Ventures, Biotech I, Biotech II, TPG TFP, TAC 2007 and DASA PE.

(17) Total TPG track record amounts do not include results from RMB - Shanghai and RMB - Chongqing or China Ventures, a joint venture partnership.

(18) Unless otherwise specified, the fund performance information presented above for certain funds is, due to the nature of their strategy, as of December 31, 2022. Accordingly, the fund performance information presented above for the funds does not reflect any fund activity for the quarter ended March 31, 2023 and therefore does not cover the same period presented for other funds. Any activity occurring during the quarter ended March 31, 2023 will be reflected in the performance information presented in future reporting.

(19) Certain funds recorded capital commitments prior to March 31, 2023, but were not activated or did not make their first investment. Therefore the only activity reflected in the track record with respect to these funds was the capital commitments.

Liquidity and Capital Resources

Our liquidity needs primarily include working capital and debt service requirements. We believe that our current sources of liquidity, which include cash generated by our operating activities, cash and funds available under our credit agreement, are sufficient to meet our projected operating expenses, pay dividends to holders of our common stock in accordance with our dividend policy, debt service requirements and other obligations as they arise for at least the next 12 months. To the extent that our current liquidity is insufficient to fund future activities, we may need to raise additional funds. In the future, we may attempt to raise additional capital through the sale of equity securities or through debt financing arrangements. If we raise additional funds by issuing equity securities, the ownership of our existing investors will be diluted. The incurrence of additional debt financing would result in incremental debt service obligations, and any future instruments governing such debt could include operating and financial covenants that could restrict our operations.

The following table presents a summary of our cash flows for the periods presented:

	Three Months Ended March 31,	
	2023	2022
	($ in thousands)	
Net cash provided by operating activities	$ 35,800	$ 713,602
Net cash used in investing activities	(896)	(636)
Net cash used in financing activities	(210,331)	(231,076)
Net increase (decrease) in cash and cash equivalents	(175,427)	481,890
Cash and cash equivalents, beginning of period	1,120,650	985,864
Cash and cash equivalents, end of period	$ 945,223	$ 1,467,754

As of March 31, 2023, our total liquidity was $1,661.9 million, comprised of $931.9 million of cash and cash equivalents, excluding $13.3 million of restricted cash, as well as $700.0 million and $30.0 million of incremental borrowing capacity under the Senior Unsecured Revolving Credit Facility and the Subordinated Credit Facility (each as defined herein), respectively. Total cash of $945.3 million as of March 31, 2023 is comprised of $618.6 million of cash that is attributable to the TPG Operating Group and on balance sheet securitization vehicles. Total liquidity decreased by $175.6 million, or 10%, relative to $1,837.5 million as of December 31, 2022. This was the result of a $175.5 million net decrease in cash and cash equivalents, primarily due to $210.3 million of net cash used in financing activities and $0.9 million of net cash used in investing activities, partially offset by $35.8 million of cash provided by operating activities.

Our operating activities primarily consist of investment management activities. The primary sources of cash within the operating activities section include: (i) management fees, (ii) monitoring, transaction and other fees, (iii) realized capital allocation-based income and (iv) investment sales from our consolidated funds. The primary uses of cash within the operating activities section include: (i) compensation and non-compensation related expenses and (ii) investment purchases from our consolidated funds. Additionally, operating activities also reflect the activity of our consolidated Public SPACs.

Operating activities provided $35.8 million and $713.6 million of cash for the three months ended March 31, 2023 and 2022, respectively. Key drivers consisted of performance allocation and co-investment proceeds totaling $172.6 million and $662.5 million for the three months ended March 31, 2023 and 2022, respectively. This was partially offset by changes in operating assets and liabilities for the three months ended March 31, 2023 and 2022, respectively.

Investing Activities

Our investing activities primarily consist of lending to affiliates and capital expenditures. The primary sources of cash within the investing activities section include cash received from notes receivable from affiliates. The primary uses of cash within the investing activities section includes capital expenditures and cash advances on notes receivable from affiliates.

Investing activities used $0.9 million and $0.6 million of cash during the three months ended March 31, 2023 and 2022, respectively. During the three months ended March 31, 2023, cash used by investing activities is primarily related to capital expenditures. During the three months ended March 31, 2022, cash used by investing activities is primarily related to advances, offset by repayments of notes receivables from affiliates.

Financing Activities

Our financing activities reflect our capital markets transactions and transactions with owners. The primary sources of cash within the financing activities section includes proceeds from debt and notes issuances. The primary uses of cash within the financing activities section include dividends to holders of our common stock, distributions to partners and non-controlling interests and repayments of debt and notes.

Financing activities used $210.3 million and $231.1 million of cash during the three months ended March 31, 2023 and 2022, respectively. During the three months ended March 31, 2023, cash used in financing activities primarily reflects the payments of dividends and distributions to our Class A common stockholders and to holders of non-controlling interests in subsidiaries, respectively. Cash used in financing activities during three months ended March 31, 2022 primarily reflects the net impact of distributions to partners and non-controlling interests, the repayment of amounts borrowed under the Subordinated Credit Facility, and purchase of partnership interests with IPO proceeds, which is partially offset by the net proceeds from the IPO in January 2022.

Credit Facilities

Subordinated Credit Facility

In August 2014, one of our consolidated subsidiaries entered into two $15.0 million subordinated revolving credit facilities (collectively, the “Subordinated Credit Facility”), for a total commitment of $30.0 million. The Subordinated Credit Facility is available for direct borrowings and is guaranteed by certain members of TPG Operating Group. In August 2022, the subsidiary extended the maturity date of the Subordinated Credit Facility from August 2023 to August 2024, replaced LIBOR as the applicable reference rate with SOFR and otherwise conformed the credit facility to accommodate SOFR as the reference rate. The interest rate for borrowings under the Subordinated Credit Facility is calculated at a term SOFR rate plus a 0.10% per annum adjustment and 2.25%.

During the three months ended March 31, 2023, the subsidiary did not borrow or make repayments on the Subordinated Credit Facility, resulting in a zero balance outstanding at March 31, 2023.

364-Day Credit Facility

On April 14, 2023, one of our consolidated subsidiaries entered into the 364-Day Credit Facility, providing the subsidiary with revolving borrowings of up to $150.0 million. We entered into an equity commitment letter in connection with the 364-Day Credit Facility, committing to provide capital contributions to the consolidated subsidiary throughout the life of the facility.

Secured Borrowings

Our secured borrowings are issued using on-balance sheet securitization vehicles. The secured borrowings are required to be repaid only from collections on the underlying securitized equity method investments and restricted cash of the securitization vehicles. The secured borrowings are separated into two tranches. Tranche A secured borrowings (the “Series A Securitization Notes”) were issued in May 2018 at a fixed rate of 5.33% with an aggregate principal balance of $200.0 million due June 20, 2038, with interest payable semiannually. Tranche B secured borrowings (the “Series B Securitization Notes” or, collectively with the Series A Securitization Notes, the “Securitization Notes”) were issued in October 2019 at a fixed rate of 4.75% with an aggregate principal balance of $50.0 million due June 20, 2038, with interest payable semiannually. The secured borrowings contain an optional redemption feature giving us the right to call the notes in full or in part, subject to a prepayment penalty if called before May 2023. If the secured borrowings are not redeemed on or prior to June 20, 2028, we will pay additional interest equal to 4.00% per annum.

The secured borrowings contain covenants and conditions customary in transactions of this nature, including negative pledge provisions, default provisions and financial covenants and limitations on certain consolidations, mergers and sales of assets. As of March 31, 2023, we were in compliance with these covenants and conditions.

Senior Unsecured Revolving Credit Facility

In March 2011, TPG Holdings, L.P. entered into a $400.0 million credit facility (the "Senior Unsecured Revolving Credit Facility"). In May 2018, TPG Holdings, L.P. amended and restated the Senior Unsecured Revolving Credit Facility Agreement to, among other things, reduce commitments to $300.0 million, extend the maturity to May 2023 and redefine certain components of the financial covenants. In November 2020, TPG Holdings, L.P. further amended and restated the facility to, among other things, release all collateral pledged under the prior amendment to the facility and to extend the maturity to November 2025.

In November 2021, TPG Holdings, L.P. entered into a fourth amendment and restatement of the Senior Unsecured Revolving Credit Facility Agreement under which certain terms were modified, including that TPG Holdings, L.P. may elect to have (i) TPG Operating Group II, L.P. (f/k/a TPG Holdings II, L.P.) assume its obligations as borrower under the Senior Unsecured Revolving Credit Facility (and thereby release TPG Holdings, L.P. from its obligations as borrower thereunder) and (ii) correspondingly release TPG Operating Group II, L.P., TPG Holdings I-A, LLC, TPG Holdings II-A, LLC and TPG Holdings III-A, L.P from their guarantees of the Senior Unsecured Revolving Credit Facility. TPG Holdings, L.P. made such election in conjunction with the Reorganization, upon which TPG Operating Group II, L.P. assumed its obligations as borrower under the Senior Unsecured Revolving Credit Facility (and TPG Holdings, L.P. was thereby released from its obligations as borrower thereunder) and correspondingly, TPG Operating Group II, L.P., TPG Holdings I-A, LLC, TPG Holdings II-A, LLC and TPG Holdings III-A, L.P were released from their guarantees of the Senior Unsecured Revolving Credit Facility.

In July 2022, we entered into a fifth amendment and restatement of the Senior Unsecured Revolving Credit Facility to among other things, (i) extend the maturity date of the revolving credit facility from November 2025 to July 2027, (ii) increase the aggregate revolving commitments thereunder from $300.0 million to $700.0 million and (iii) replace LIBOR as the applicable reference rate with SOFR and otherwise conform the credit facility to accommodate SOFR as the reference rate.

Dollar-denominated principal amounts outstanding under the Senior Unsecured Revolving Credit Facility accrue interest, at the option of the applicable borrower, either (i) at a base rate plus applicable margin not to exceed 0.25% per annum or (ii) at a term SOFR rate plus a 0.10% per annum adjustment and an applicable margin not to exceed 1.25%. We are also required to pay a quarterly commitment fee on the unused commitments under the Amended Senior Unsecured Revolving Credit Facility not to exceed 0.15% per annum, as well as certain customary fees for any issued letters of credit.

In August 2022, we entered into a first amendment to the Amended Senior Unsecured Revolving Credit Facility, which provides that if the Company is not publicly rated, the applicable margin for borrowings under the facility may be determined using the Company's leverage ratio.

During the three months ended March 31, 2023, we made no borrowings or repayments on the Senior Unsecured Revolving Credit Facility, resulting in a balance of zero outstanding at March 31, 2023. As of March 31, 2023, $700.0 million was available to be borrowed under the terms of the Senior Unsecured Revolving Credit Facility.

Senior Unsecured Term Loan

In December 2021, we entered into a credit agreement (the "Senior Unsecured Term Loan Agreement") pursuant to which the lenders thereunder agreed to make term loans in a principal amount of up to $300.0 million during the period commencing on December 2, 2021 and ending on the date that is 30 days thereafter. Unused commitments were terminated at the end of such period. As of March 31, 2023, $200.0 million was outstanding under the Senior Unsecured Term Loan Agreement and will mature in December 2024. The proceeds from the term loan were used to make a ratable distribution to each of our investors and are not available for our operations.

In July 2022, we entered into an amended Senior Unsecured Term Loan Agreement. The amended Senior Unsecured Term Loan Agreement, among other things, replaces LIBOR as the applicable reference rate with SOFR, and otherwise conforms the term loan agreement to accommodate SOFR as the reference rate.

Principal amounts outstanding under the amended Senior Unsecured Term Loan Agreement accrue interest, at the option of the borrower, either (i) at a base rate plus an applicable margin of 0.00% or (ii) at a term SOFR rate plus a 0.10% per annum adjustment and an applicable margin of 1.00%.

Tax Receivable Agreement

The future exchanges by owners of Common Units for cash from a substantially concurrent public offering, reorganization or private sale (based on the price per share of the Class A common stock on the day before the pricing of such public offering or private sale) or, at our election, for shares of our Class A common stock on a one-for-one basis (or, in certain cases, for shares of nonvoting Class A common stock) are expected to produce or otherwise deliver to us favorable tax attributes that can reduce our taxable income. We (and our wholly-owned subsidiaries) are a party to a tax receivable agreement, under which generally we (or our wholly-owned subsidiaries) are required to pay the beneficiaries of the Tax Receivable Agreement 85% of the applicable cash savings, if any, in U.S. federal, state and local income tax that we actually realize or, in certain circumstances, are deemed to realize as a result of the Covered Tax Items. We generally retain the benefit of the remaining 15% of the applicable tax savings. The payment obligations under the Tax Receivable Agreement are obligations of TPG Inc. (or our wholly-owned subsidiaries), and we expect that the payments we will be required to make under the Tax Receivable Agreement will be substantial.

On March 31, 2023, a pre-IPO Investor exchanged 1,000,000 Common Units of each TPG Operating Group partnership for 1,000,000 shares of Class A common stock. This exchange resulted in an increase in the Company’s tax basis of its investment in the TPG Operating Group partnerships and is subject to the Tax Receivable Agreement. The Company recognized an additional liability associated with the Tax Receivable Agreement in the amount of $8.1 million in connection with the exchange.

Contractual Obligations

In the ordinary course of business, we enter into contractual arrangements that require future cash payments. The following table sets forth information regarding our anticipated future cash payments under our contractual obligations as of March 31, 2023 (in thousands):

	Payments Due by Period						
	Total	**2023**	**2024**	**2025**	**2026**	**2027**	**2028 and Thereafter**
Operating lease obligations	$ 167,453	$ 13,464	$ 24,002	$ 28,098	$ 19,971	$ 18,556	$ 63,362
Debt obligations (1)	450,000	—	200,000	—	—	—	250,000
Interest on debt obligations (2)	325,205	24,484	24,748	13,035	13,035	13,035	236,868
Capital commitments (3)	339,342	339,342	—	—	—	—	—
Total contractual obligations	**$ 1,282,000**	**$ 377,290**	**$ 248,750**	**$ 41,133**	**$ 33,006**	**$ 31,591**	**$ 550,230**

(1) Debt obligations presented in the table reflect scheduled principal payments related to the Securitization Notes and our senior unsecured term loan.

(2) Estimated interest payments on our debt obligations reflect amounts that would be paid over the life on the Securitization Notes based the Series A and B Securitization Notes respective fixed interest rates and assuming the debt is held until final maturity.

(3) Capital commitments represent our obligations to provide general partner capital funding to the TPG funds. These amounts are generally due on demand, and accordingly, have been presented as obligations payable in the “2023” column. We generally utilize proceeds from return of capital distributions and proceeds from secured borrowings to help fund these commitments.

Additional Contingent Obligations

As of March 31, 2023 and December 31, 2022, if all investments held by the TPG funds were liquidated at their current unrealized fair value, there would be clawback of $58.3 million related to STAR, net of tax, for which a performance allocation reserve was recorded within other liabilities in the Condensed Consolidated Statements of Financial Condition. The potential liquidation of STAR in 2023 could require clawback payments. Additionally, if all remaining investments were deemed worthless, a possibility management views as remote, the amount of performance allocations subject to projected clawback as of March 31, 2023 and December 31, 2022 would be $1,861.0 million and $1,869.4 million, respectively.

As of March 31, 2023 and December 31, 2022, we had guarantees outstanding totaling $40.9 million and $100.8 million, respectively, related to employee guarantees primarily related to a third-party lending program which enables certain of our eligible employees to obtain financing for co-invest capital commitment obligations with a maximum potential exposure of $165.4 million and $163.7 million, respectively.

Dividends

The table below presents information regarding the quarterly dividends on the Class A common stock, which were made at the sole discretion of our Board of Directors.

Date Declared	Record Date	Payment date	Dividend per Class A Common Share
May 10, 2022	May 20, 2022	June 3, 2022	$ 0.44
August 9, 2022	August 19, 2022	September 2, 2022	0.39
November 9, 2022	November 21, 2022	December 2, 2022	0.26
February 15, 2023	February 27, 2023	March 10, 2023	0.50
Total 2022 Dividend Year			$ 1.59
May 15, 2023	May 25, 2023	June 5, 2023	$ 0.20
Total 2023 Dividend Year (through Q1 2023)			$ 0.20

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements, as defined in Regulation S-K.

Critical Accounting Policies

We prepare our Condensed Consolidated Financial Statements in accordance with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and disclosure of contingent assets and liabilities in our financial statements. We regularly assess these estimates; however, actual amounts could differ from those estimates. The impact of changes in estimates is recorded in the period in which they become known. For a description of our accounting policies, see Note 2, “Summary of Significant Accounting Policies,” to the Condensed Consolidated Financial Statements included elsewhere in this report and “Item 7.—Management's Discussion and Analysis of Financial Condition and Results of Operation” in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risks primarily relates to our role as investment advisor or general partner to our TPG funds and the impact of movements in the underlying fair value of their investments. There was no material change in our market risks during the three months ended March 31, 2023. For additional information, refer to our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are designed to ensure that information required to be disclosed by us in reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the appropriate time periods, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

We, under the supervision of and with participation of our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective as of March 31, 2023.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the fiscal quarter ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in litigation and claims incidental to the conduct of our business. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. See “Item 1A.—Risk Factors—Risks Related to Our Industry—Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. Increased regulatory focus on the alternative asset industry or legislative or regulatory changes could result in additional burdens and expenses on our business” in our Annual Report on Form 10-K for the year ended December 31, 2022. We are not currently subject to any pending legal (including judicial, regulatory, administrative or arbitration) proceedings that we expect to have a material impact on our Condensed Consolidated Financial Statements. However, given the inherent unpredictability of these types of proceedings, an adverse outcome in certain matters could have a material effect on TPG’s financial results in any particular period. See Note 12, “Commitments and Contingencies,” to the Condensed Consolidated Financial Statements.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the information under “Item 1A.—Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Pursuant to the Exchange Agreement, during the first quarter of 2023, a pre-IPO investor exchanged 1,000,000 Common Units of each TPG Operating Group partnership for an equal number of shares of our Class A common stock. This exchange resulted in the issuance of 1,000,000 shares of Class A common stock and the cancellation of 1,000,000 shares of Class B common stock for no additional consideration. This issuance was exempt from registration requirements pursuant to Section 4(a)(2) of the Securities Act. See Note 15, “Equity,” to the Condensed Consolidated Financial Statements.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following is a list of all exhibits filed or furnished as part of this report:

Exhibits are included below.

Exhibit No.	Description
3.1*	Amended and Restated Certificate of Incorporation of TPG Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on December 8, 2022).
3.2*	Bylaws of TPG Inc. (incorporated by reference to Exhibit 4.2 to the Company’s Registration Statement on Form S-8 (File No. 001-41222), filed on January 13, 2022).
10.1*†	Independent Director Compensation Policy (incorporated by reference to Exhibit 10.31 to the Company’s Annual Report on Form 10-K, filed on February 24, 2023).
10.2	Omnibus Amendment to TPG Operating Group Limited Partnership Agreements, dated as of March 15, 2023, among the respective general partner of each of TPG Operating Group I, L.P., TPG Operating Group II, L.P. and TPG Operating Group III, L.P.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
32.2	Certification of Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Incorporated by reference
† Management compensatory plan or arrangement

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 15, 2023

/s/ Jack Weingart

Jack Weingart
Chief Financial Officer and Director
(Principal Financial Officer and
Authorized Signatory)

Exhibit 10.2
Execution Version

OMNIBUS AMENDMENT TO
TPG OPERATING GROUP LIMITED PARTNERSHIP AGREEMENTS

THIS OMNIBUS AMENDMENT (this "**Amendment**"), dated as of March 15, 2023 (the "**Amendment Effective Date**"), is entered into by the respective general partner of each of TPG Operating Group I, L.P., a Delaware limited partnership ("**TOG I**"), TPG Operating Group II, L.P., a Delaware limited partnership ("**TOG II**"), and TPG Operating Group III, L.P., a Delaware limited partnership ("**TOG III**").

W I T N E S S E T H :

WHEREAS, TPG Holdings I-A, LLC, a Delaware limited liability company ("**TOG I GP**"), is the general partner of TOG I and is party to the Sixth Amended and Restated Limited Partnership Agreement of TOG I, dated as of January 12, 2022 (as amended, and/or amended and restated, the "**Existing TOG I LPA**");

WHEREAS, TPG Holdings II-A, LLC, a Delaware limited liability company ("**TOG II GP**"), is the general partner of TOG II and is party to the Sixth Amended and Restated Limited Partnership Agreement of TOG II, dated as of January 12, 2022 (as amended, and/or amended and restated, the "**Existing TOG II LPA**");

WHEREAS, TPG Holdings III-A, L.P., a Delaware limited partnership ("**TOG III GP**", and together with TOG I GP and TOG II GP, the "**TOG GPs**"), is the general partner of TOG III and is party to the Sixth Amended and Restated Limited Partnership Agreement of TOG III, dated as of January 12, 2022 (as amended, and/or amended and restated, the "**Existing TOG III LPA**", and together with the Existing TOG I LPA and Existing TOG II LPA, the "**Existing TOG LPAs**"); and

WHEREAS, each TOG GP, pursuant to its authority under Section 11.10(a) of the respective Existing TOG LPA, desires to effect an amendment to the respective Existing TOG LPA on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the foregoing, each TOG GP hereby agrees as follows:

Section 1. Amendment. On the Amendment Effective Date, Section 5.05(b) of each Existing TOG LPA is hereby amended as follows (with underlines representing additions and ~~strikethroughs~~ representing deletions):

"(b) Tax Allocations: Code Section 704(c). For U.S. federal, state and local income tax purposes, items of income, gain, loss, deduction and credit shall be allocated to the Partners in accordance with the allocations of the corresponding items for Capital Account purposes under Section 5.04, except that in accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed to the capital of the Partnership and with respect to reverse Code Section 704(c) allocations described in Treasury Regulations Section 1.704-3(a)(6) shall, solely for tax purposes, be allocated among the

Partners so as to take account of any variation between the adjusted basis of such Property to the Partnership for U.S. federal income tax purposes and its initial Carrying Value or its Carrying Value determined pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) (computed in accordance with the definition of Carrying Value) using any reasonable method under Code Section 704(c) that is selected by the General Partner in its sole discretion; *provided* that the General Partner may not select a method with respect to one or more assets other than the traditional ~~allocation~~ method under Treasury Regulations Section 1.704-3(b) if the selection of such other method with respect to such assets may adversely affect in any material respect any Partner or Partners (or adversely modify in any material respect the Units (or the rights, preferences or privileges of the Units) then held by any Partner or Partners) in a materially disproportionate manner to any other Partners, unless the General Partner receives the prior written consent of a majority in interest of such disproportionately affected Partner or Partners. Any elections or other decisions relating to such allocations shall be made by the General Partner in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.05(b), Section 704(c) of the Code (and the principles thereof), and Treasury Regulations Section 1.704- 1(b)(4)(i) are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Loss, other items, or distributions pursuant to any provision of this Agreement."

Section 2. Effect of Amendments. Except as expressly set forth herein, the amendments contained herein shall not constitute an amendment or waiver of any provision of the Existing TOG LPAs, and all of such provisions shall remain in full force and effect and are hereby ratified and confirmed in all respects.

Section 3. Governing Law. With respect to each Existing TOG LPA, this Amendment shall be governed by the governing law of such Existing TOG LPA.

Section 4. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 5. Severability. Each provision of this Amendment shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Amendment that are valid, enforceable and legal.

[Signature pages to follow]

IN WITNESS WHEREOF, this Amendment is executed as of the Amendment Effective Date.

TOG GPs:

TPG HOLDINGS I-A, LLC

By: /s/ Ken Murphy
Name: Ken Murphy
Title: Chief Operating Officer

TPG HOLDINGS II-A, LLC

By: /s/ Ken Murphy
Name: Ken Murphy
Title: Chief Operating Officer

TPG HOLDINGS III-A, L.P.
By: TPG HOLDINGS III-A, LLC, its
general partner

By: /s/ Ken Murphy
Name: Ken Murphy
Title: Chief Operating Officer

Exhibit 31.1

I, Jon Winkelried, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of TPG Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 15, 2023

/s/ Jon Winkelried

Jon Winkelried

Chief Executive Officer

Exhibit 31.2

I, Jack Weingart, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of TPG Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2023

/s/ Jack Weingart

Jack Weingart

Chief Financial Officer

Exhibit 32.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of TPG Inc. (the “Company”) for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jon Winkelried, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certificate is being furnished solely for the purposes of 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Date: May 15, 2023

/s/ Jon Winkelried
Jon Winkelried
Chief Executive Officer

Exhibit 32.2

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of TPG Inc. (the “Company”) for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jack Weingart, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certificate is being furnished solely for the purposes of 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Date: May 15, 2023

/s/ Jack Weingart

Jack Weingart

Chief Financial Officer