

Corporate Speakers

- Gary Stein; TPG; Head of Investor Relations
- Jon Winkelried; TPG; Chief Executive Officer
- Jack Weingart; TPG; Chief Financial Officer
- Josh Evans; TPG; Partner and Head of Corporate Development

Participants

- Mike Brown; UBS; Managing Director
- Glenn Schorr; Evercore; Senior Managing Director
- Brian McKenna; Citizens; Director
- Steven Chubak; Wolfe Research; Managing Director
- Kenneth Worthington; J.P. Morgan; Analyst
- Craig Siegenthaler; Bank of America; Managing Director
- Unidentified Participant; Goldman Sachs;
- Brian Bedell; Deutsche Bank; Director

PRESENTATION

Operator^ Good morning, and welcome to TPG's Conference Call regarding its Long-Term Strategic Partnership with Jackson.

Currently, all callers have been placed in a listen-only mode, and following management's prepared remarks, the call will be open for your questions. (Operator Instructions)

Please be advised that today's call is being recorded.

Please go to TPG's IR website to obtain the earnings materials.

I will now turn the call over to Gary Stein, Head of Investor Relations at TPG. Thank you. You may begin.

Gary Stein^ Great. Thank you, operator, and welcome, everyone.

Joining me on today's call are Jon Winkelried, Chief Executive Officer; and Jack Weingart, Chief Financial Officer, who will discuss the long-term strategic partnership with Jackson we announced this morning. In addition, Josh Evans, Partner and Head of Corporate Development, is here and will be available during the Q&A portion of this morning's call.

Earlier this morning, we issued a press release and posted a presentation to the Investor Relations section of our website. We'd also like to remind you that Jackson will be hosting an Investor Call this morning at 9:00 a.m. Eastern Time. You can access that call through the Investor Relations section of Jackson's website.

I'd like to advise you this call may include forward-looking statements that do not guarantee future events or performance. Please refer to TPG's SEC filings for factors that could cause actual results to differ materially from these statements. TPG undertakes no obligation to revise or update any forward-looking statements except as required by law.

With that, I'll turn the call over to Jon.

Jon Winkelried^ Good morning, everyone. Thank you for joining us, and Happy New Year.

Today, we're excited to announce that we have established a long-term strategic partnership with Jackson Financial, a leading U.S. retirement services firm. For our call today, I'll share the highlights of this partnership before turning it over to Jack to review the key terms and financial impact.

Over the past several years, we've focused on diversifying and scaling our credit platform, and expanding the breadth and duration of our sources of capital. We've also been intentional about building our capabilities to serve insurance clients at scale.

Our partnership with Jackson is an important step in the evolution of our insurance strategy. This announcement follows TPG credit's breakout year in 2025. On our fourth quarter earnings call next month, we expect to report approximately \$20 billion of credit capital raised for the full year. This would represent a 60% increase from 2024 as we continue to achieve significant growth for our credit strategies.

Through this partnership, TPG will manage a portion of Jackson's general account as their alternatives partner, further scaling our strong origination capabilities while delivering enhanced returns for Jackson. This strategic arrangement further positions TPG to be the partner of choice for our clients as they [see] customized asset management solutions.

Looking ahead, this partnership is an important step in the next leg of growth for our credit and insurance strategies.

Turning to the partnership details, TPG has established a long-term investment management agreement to serve as a strategic alternative asset manager for Jackson's general account. The IMA includes a minimum allocation of \$12 billion with strong economic incentives to scale to at least \$20 billion.

The initial mandate will focus on investment-grade asset-based finance and direct lending, with opportunities to expand through additional strategies over time. Additionally, in connection with the IMA, TPG will invest \$500 million into Jackson common stock and issue to Jackson \$150 million in TPG common stock, creating strong alignment between our firms. Jack will share more on the specifics in his remarks.

Over the past year, we've developed a strong relationship with the Jackson team, and it's clear that our cultures are closely aligned. Jackson is a top 10 U.S. retail annuity provider, with \$350 billion in assets under management, and a nearly 65-year track record as a leading provider of retirement income solutions. Jackson has developed robust distribution capabilities with over 500 broker-dealer partners and 120,000 appointed advisors in its network.

Since becoming an independent public company four years ago, Jackson has delivered significant value for shareholders, returning nearly \$2.5 billion via dividends and share repurchases.

We view this transaction as being highly advantageous to our firm in several ways, particularly to the expansion of our capital sources and continued scaling of our credit franchise.

To share a few of the benefits, first, as we continue to grow our firm, we've consistently reiterated our focus on maintaining a balance sheet light and FRE-centric growth model. This partnership aligns closely with these objectives, while enhancing our ability to provide flexible customized asset management solutions to the insurance industry and our broader base of clients.

This partnership is an important step in how we are evolving our credit capabilities to meet the needs of an increasingly diverse client base.

Second and relatedly, our IMA with Jackson is structured to generate long duration, highly predictable fee revenue, and serves as a cornerstone for the continued build-out of our origination engines.

In particular, it will accelerate the growth of our investment grade asset-based finance capabilities, enabling us to deliver larger scale capital efficient solutions. This increased capacity will further position us to be a preferred partner for clients seeking differentiated origination capabilities and strong investment performance.

As clients continue to consolidate their GP relationships, we believe we will continue to take market share as a scaled total solutions provider across the full risk-return spectrum.

And finally, following deep proprietary engagement with Jackson over the last year on this agreement, it became clear to us that this partnership presented significant opportunities for both our organizations. By leveraging the power of our highly complementary capabilities, we are confident this partnership will strengthen both firms and unlock additional avenues for growth over time.

Jackson's selection of TPG as their alternatives partner is a testament to the power of our franchise, our differentiated credit capabilities, and the investment expertise that we've built over decades.

Our scaled strategies across asset-based finance, middle market direct lending, and credit solutions have consistently delivered proprietary opportunities and differentiated returns for our clients through many market cycles.

Specifically, in our asset-based finance business, we've built a market leading franchise over the past 20 years, which we believe offers unique value to Jackson's business. Our ABF platform has participated in over \$150 billion of investment activity since 2014 through relationships with over 50 origination partners and other counterparties.

The platform has maintained a consistently strong track record across all major segments of the asset-based finance market, including non-agency residential mortgages, consumer finance, and specialty assets.

In particular, the strength of our ABF platform has played a key role in our increased penetration of the insurance channel, where we've driven significant organic growth.

Over the past two years, our total firm-wide commitments from insurance clients have increased more than 60%. Capital raised from insurance clients comprised approximately 20% of our total credit fundraising since the start of 2024, including 40% for our asset-based finance business.

Importantly, our partnership with Jackson provides us with committed capital that will further accelerate the flywheel effects as we continue to penetrate this channel. Going forward, we're excited to continue providing flexible solutions through a broad range of insurance clients.

We've consistently shared our long-term strategic objectives with our stakeholders, and this partnership represents another exciting step in TPG's growth trajectory. We're continuing to scale our credit franchise, grow our insurance practice, source longer duration capital opportunities, and expand our origination capabilities.

We're proud of the significant progress across our franchise in 2025, and with this exciting announcement, we're confident in our strong momentum heading into 2026.

Now, I'll turn the call over to Jack.

Jack Weingart^ Thank you, Jon, and thank you all for joining us today.

We believe Jackson is an ideal partner for TPG, and our strategic relationship is structured to drive meaningful long-term growth for both organizations. The terms of our agreement underscore the differentiated nature of this partnership, and the benefits to both TPG and Jackson.

First, we're entering into a long-term non-exclusive investment management agreement with Jackson, where TPG will manage a minimum of \$12 billion for Jackson's general account, with economic incentives to scale to at least \$20 billion. We've structured the agreement to allow for a ramp-up over time, with a minimum requirement of \$4 billion after two years and \$12 billion within five years of closing.

Importantly, all of this will be fee-paying AUM. TPG will receive market-based fees for each asset class, and we've agreed to a minimum management fee of 50 basis points that will apply throughout the duration of the partnership. The IMA has a 10-year initial term with automatic one-year renewals through year 15.

Second, to support Jackson's growth initiatives, TPG has agreed to invest \$500 million in Jackson's common stock, based on the unaffected VWAP during the 30 days preceding the signing, which will represent approximately 6.5% pro forma ownership. We expect to fund this investment through our revolver, which had an undrawn capacity of \$1.75 billion at the end of the fourth quarter.

Third, our investment in Jackson's common stock is structured to provide flexibility for us to recycle our capital over time. Following the second anniversary of closing, TPG may begin to monetize any gains in our position. And following the fifth anniversary, we'll be able to begin selling down our initial stake.

Given our confidence in Jackson's differentiated positioning and growth outlook, we've agreed to hold at least \$100 million of Jackson stock for the duration of the partnership.

Since becoming a public company, Jackson has delivered impressive annualized returns of approximately 40%, and we believe Jackson is well-positioned to continue generating long-term value for its shareholders, including TPG.

Fourth, to further align incentives, TPG will issue \$150 million of common stock to Jackson. If the total fee-earning AUM managed by TPG for Jackson reaches at least \$20 billion by the 10th anniversary of closing, Jackson will be eligible for an additional \$150 million issuance of TPG common stock.

In aggregate, we expect this partnership to be accretive to TPG's fee-related earnings per share beginning in the fourth quarter of 2026 and accretive to after-tax DE per share beginning in the fiscal year '27.

More importantly, this partnership provides long-term predictable fee revenue that will enable us to continue investing in our credit capabilities, further strengthen our origination engines, and become an even more effective partner to our clients. This partnership is subject to customary closing conditions, and we expect to close this transaction in the first quarter of this year.

To wrap up, the structure of this balance sheet light partnership creates meaningful alignments between our organizations. We're confident the partnership will deliver sustained growth and value creation for both TPG and Jackson, and we look forward to working together to capitalize on the significant opportunities ahead.

With that, we can open up the call to questions. [Nikki]?

QUESTIONS AND ANSWERS

Operator^ Thank you. (Operator Instructions) We will take our first question from Mike Brown with UBS. Please go ahead. Your line is open.

Mike Brown^ Great. Hi. Good morning.

Jack Weingart^ Good morning, Mike.

Mike Brown^ So I wanted to start on the management fee rate here. So the 50 bps minimum that the deal is structured with, how will the AUM be allocated across funds? And I guess, as capital is deployed into some of your funds where you earn the full fee rate on that, such that that 50 bps could blend higher over time, and is that incorporated into the accretion numbers that you've laid out? Thank you.

Jack Weingart^ Yes. Hey, Mike. It's Jack. I'll start on that.

I think as we mentioned on the call, we expect the initial allocation to be to investment-grade asset-backed finance and to direct lending. That may evolve over time or expand over time, but that'll be the initial allocation, and we will earn effectively -- think of it as market-based fees for each asset class. So the effective fee will be a weighted average of the management fees and promote, if applicable, to each allocation.

Across that, there will be an overall minimum of a 50-basis point management fee. In some of those more investment-grade type asset classes, management fees are sometimes below 50 basis points, but the relationship has a contractual minimum of 50.

So to your question, yes, it could blend higher over time, depending upon the mix of allocations. In our accretion dilution calculations, we're assuming just a 50-basis point minimum.

Operator^ Thank you. Our next question from -- comes from Glenn Schorr with Evercore. Please go ahead. Your line is open.

Glenn Schorr^ Hi. Thanks a lot.

So a question on, do you feel that you have the origination capacity today to fulfill, say, the \$12 billion and the \$20 billion if it comes quicker?

And then very curious to get your thoughts on, does this ramping up of your presence in the channel and give yourself an ability or do you have the desire to build/buy more platforms to make sure that the origination capacity is there to fulfill what is hopefully higher demand? Thanks so much.

Jon Winkelried^ Yes. Thanks, Glenn. It's Jon.

I think that on the first part of your question in terms of our capacity to originate, I think the answer to that is we feel highly confident in our ability to originate for this IMA as well as for the broader set of relationships that we have.

I think that we've talked about this from the very start when we acquired Angelo Gordon. We had a platform that had, at that time, a 16- or 17-year track record in the structured credit side and we were out-originating our capital base.

And over time, over the course of the last couple of years, we've obviously made significant strides in growing our capital base meaningfully. And as we've been doing that, that's allowed us to essentially continue to expand our relationships on the origination side and size up the opportunity set that we're prosecuting in the market.

And I think, as you know, there is a relationship in the market between size, in a lot of respects, we get size in terms of the capital base that you have available to you, the counterparties you can interact with, and frankly, the amount of capital you can speak for on each of those individual opportunities. So, that has been steadily increasing for us as our capital base has increased.

And as you've heard, this is a relationship that scales over time. And the visibility and certainty of having that capital flow coming at us is also very important in how we position ourselves with counterparties and with other financing enterprises in the market that will position us to be able to do more and more with them, because, if you have the capital flowing in, that positions you more strategically.

As far as acquiring other platforms or acquiring origination platforms, what I would say is I don't think we have any specific plans to go out and acquire a series of various types of finance companies to secure origination because I don't think we feel we need to do that. I think we have good enough and strong enough relationships and strong enough presence in the market.

That's not to say that we wouldn't evaluate some kind of a flow partnership with somebody to the extent that it made sense for us economically. So, the answer to that question is I wouldn't rule anything out. But I think that's not something that I think we absolutely have to do in order to generate the flow and the origination that we will continue to grow over time.

Operator^ Thank you. Our next question comes from Brian McKenna with Citizens. Please go ahead. Your line is open.

Brian McKenna^ Thanks. Good morning, everyone.

So there's clearly going to be a lot of focus on direct lending in the partnership. I'm assuming most of these assets will flow directly into Twin Brook to leverage those capabilities in the lower middle market. I'm curious, though, is there also an opportunity to begin moving upstream a little bit with some of these assets and begin building out a larger cap direct lending strategy?

Jon Winkelried^ Yes. Well, I think this -- it's a good question. And I think that in our last earnings call, I think we alluded to the fact that we continue to see opportunities to build into the slightly larger part of the market.

I think that the way we will continue to think about doing that is where we have an angle or a reason to win if you will, in the market, such as, for instance, following many of our borrowers from Twin Brook up as they've grown over time, or sourcing top of the capital structure opportunities, for instance, through our credit solutions business.

We'll probably talk more about this on our next earnings call and give you a little bit of a perspective on the launch into that part of the market and be a little bit more specific on it at that time.

But you're right about your assumption that this capital will begin to flow into Twin Brook. And over time, working with Jackson, we think that there will be potential opportunities for this capital to support the growth into that next level of lending and we will talk more about it on future calls.

Brian McKenna^ Great. Thanks, Jon.

Jon Winkelried^ You're welcome.

Operator^ Thank you. We will move next with Steven Chubak with Wolfe Research. Please go ahead. Your line is open.

Steven Chubak^ Hi. Good morning, and thanks for taking my questions.

Jon Winkelried^ Sure.

Steven Chubak^ So, I wanted to ask about the incremental margins. I know you mentioned the accretion timing. But just wanted to gauge how we should think about the incremental margins on the capital managed as part of the Jackson IMA.

Given you have the infrastructure in place or the existing infrastructure for credit solutions, DL, ABF, I figure you don't necessarily need much incremental investment to support that future growth. So I was hoping you could speak to how you plan on scaling in relation to the capital that you've just sourced.

Jack Weingart^ Yes. Hey. Thanks for the question. It's Jack.

I think your assumption is correct that, as we've been talking about, one of the attractive things about Angelo Gordon to us was they had pretty fully built out the operational platforms behind each of the asset classes. So scaling should provide a good incremental contribution margins.

And we definitely see that being the case with this business. We're not announcing expected margins in connection with this partnership. But your assumption they should be high contribution margins and accretive to our FRE margin objectives over time is accurate.

We're certainly going to be investing, as we said in our comments, to continue expanding our credit business. But there's relatively little operational investment needed to support this. So the -- you can imagine the contribution margins as the FAUM scales here, being high and accretive to our FRE margin overall.

Operator^ Thank you. Our next question comes from Kenneth Worthington with J.P. Morgan. Please go ahead. Your line is open.

Kenneth Worthington^ Hi. Good morning and Happy New Year.

Maybe talk about the path from \$12 billion to \$20 billion, you mentioned in the prepared remarks, collaboration. So talk about how you're thinking about product development and what you sort of anticipate there. Thank you.

Josh Evans^ Yes, this is Josh. Happy to take that.

As mentioned, we expect the strategy could allow for expansion beyond \$12 billion. There's strong economic incentives to reach at least \$20 billion over time. And as part of the agreement, there will be an auto renewal feature with a 10-year initial term that will auto renew through year 15.

And starting with the IG ABF and direct lending asset classes, we've already started having conversations about other activity and other pockets and areas in the market we're investing in that could be included here within the framework and the overall agreement, and we'll continue to do that over time.

Operator^ Thank you. Our next question comes from Craig Siegenthaler with Bank of America. Please go ahead. Your line is open.

Craig Siegenthaler^ Good morning, Jon, Jack. Happy New Year.

Jack Weingart^ Happy New Year, Craig.

Craig Siegenthaler^ So, we were curious in both the building mix of Jackson's general account base and duration. And I think it's probably mostly fixed annuity and indexed annuity, and probably about seven years of surrender.

Josh Evans^ Yes, so Jackson has a highly diversified VA portfolio totaling about \$250 billion in account value. And through our access to private side diligence, we were able to gain insight into the company's robust hedging strategy, the substantial excess capital they have, and a strong liquidity position.

Importantly, outside of that, they've also established a broad suite of products and demonstrated the strength of their distribution capabilities through not only being in the VA market, but scaling into the spread-based market through their position as a top-five player in the RILA business. So, we think that'll position them for continued growth and diversification into the spread market, which they'll talk more about later today. And that will importantly be further enhanced by our origination capabilities as they pivot more into the fixed base.

Jon Winkelried^ I think the partnership has a lot to do with their next stage of growth. And you'll hear that from them when they do their call. I think what they'll outline is a multi-part strategy that allows them to continue to diversify the types of annuities that they are generating. They clearly see the opportunity in spread-based product for fixed annuities, fixed index annuities, and are obviously a leader in RILA. And importantly, I think this partnership with us is for them a lot about helping to increase returns in their account and continue to be more competitive in that part of the market.

Operator^ Thank you. Our next question comes from Alex Blostein with Goldman Sachs. Please go ahead. Your line is open.

Alex Blostein^ Hey, good morning. This is Anthony on for Alex.

Could you talk through the cadence of AUM growth from the \$4 billion by the end of year two to the \$12 billion by the end of year five, and ultimately to the \$20 billion number? What drives this rotation, and what can maybe accelerate this pace or decelerate this? Thanks.

Josh Evans^ Yes, as you heard in the call earlier, there are set targets for \$4 billion at the end of year two and \$12 billion at the end of year five. That will be a fairly linear ramp from the \$4 billion to the \$12 billion.

But importantly, as you pointed out, what could cause an acceleration is as Jackson is able to scale their business and continue driving flow and sales and bringing more capital into the platform and we're able to expand our origination capabilities, as Jon mentioned earlier, they certainly have the opportunity to flow more capital to us in a faster ramp than that linear progression would imply if they are successful in the fixed market and were originating the appropriate assets. And so, we expect there's opportunity for that.

But all of our accretion and otherwise communication has been assuming a fairly linear ramp between the \$4 billion and the \$12 billion.

Operator^ Thank you. We will move next with Brian Bedell with Deutsche Bank. Please go ahead. Your line is open.

Brian Bedell^ Great. Thanks. Good morning. Congrats on the partnership.

My question would be to what extent does this provide a template for doing more of these types of deals with other insurance partners over time? Is it -- would you rather see how this one works out first, or do you view the potential to announce more of these types of deals even over the next, say, 12, 24 months?

Jon Winkelried^ Yes, and thanks for the question.

Look, I think that every time you do something like this, you gain a lot of knowledge and continue to build out your capabilities. I think the thing I want to stress as it relates to that is this partnership is a non-exclusive partnership. So, it's very important that we continue to grow and build out our franchise with our insurance clients.

And we have a number of bespoke relationships already, not of this scale, of course. And one of the things that we've committed ourselves to, which we've talked about a lot, is pursuing balance sheet light, FRE-centric types of opportunities. And our expectation is that other opportunities like that will come along, and we will enthusiastically pursue them.

So, I don't know if it will be in the next 12 months or whatever time frame you talked about, but we will continue to pursue those opportunities and continue to scale our business.

Operator^ Thank you. And this concludes the Q&A portion of today's call. I would now like to turn the call back over to Gary Stein for closing remarks.

Gary Stein^ Great. Thank you, Operator.

Thank you all for joining us this morning, particularly on such short notice. If you have any additional questions, please feel free to follow up with the Investor Relations team directly. And we'll look forward to speaking with you all again shortly.

Jack Weingart^ Thanks, everyone.

Operator^ Thank you. And this concludes today's call and webcast. You may disconnect your line at this time, and have a wonderful day.