

TPG (Q4 2025 Earnings Call)

February 05, 2026

Corporate Speakers:

- Gary Stein; TPG; Head of Investor Relations
- Jon Winkelried; TPG; Chief Executive Officer
- Jack Weingart; TPG; Chief Financial Officer
- James Coulter; TPG; Executive Chairman and co-Founder
- Nehal Raj; TPG; Co-Managing Partner, TPG Capital
- Todd Sisitsky; TPG; President

Participants:

- Glenn Schorr; Evercore ISI; Analyst
- Benjamin Budish; Barclays; Analyst
- Kenneth Worthington; JPMorgan; Analyst
- Alexander Blostein; Goldman Sachs; Analyst
- Craig Siegenthaler; Bank of America; Analyst
- Michael Brown; UBS; Analyst
- Brennan Hawken; BMO Capital Markets; Analyst
- Arnaud Giblat; BNP; Analyst
- Brian Bedell; Deutsche Bank; Analyst
- Michael Cyprys; Morgan Stanley; Analyst

PRESENTATION

Operator

Good afternoon and welcome to the TPG's Fourth Quarter and Full Year 2025 earnings conference call. 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. If you would like to ask a question at that time, please press star 1 on your telephone keypad. If you need to remove yourself from the queue, press star 2. To get to as many questions as time permits, we ask that you please limit yourself to one question.

At any time, if you should need operator assistance, press star 0. 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

Thanks operator, and welcome everyone.

Joining me today are Jon Winkelried, Chief Executive Officer, and Jack Weingart, Chief Financial Officer. In addition, our Executive Chairman and Co-Founder, Jim Coulter, and our President, Todd Sisitsky are here with us for the Q&A portion of this call. Nehal Raj is also joining us today for the Q&A session given his role leading the software sector at TPG and as Co-Managing Partner of TPG Capital.

I'd like to remind you this call may include forward-looking statements that do not guarantee future events or performance. Please refer to TPG's earnings release and 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.

Within our discussion and earnings release, we're presenting GAAP and non-GAAP measures, and we believe certain non-GAAP measures that we discuss on this call are relevant in assessing the financial performance of the business. These non-GAAP measures are reconciled to the nearest GAAP figures in TPG's earnings release, which is available on our website. Please note that nothing on this call constitutes an offer to sell or a solicitation of an offer to purchase an interest in any TPG fund.

Looking briefly at our results for the fourth quarter, we reported GAAP net income attributable to TPG Inc. of \$77 million and after-tax distributable earnings of \$304 million, or \$0.71 cents per share of Class A common stock.

We declared a dividend of \$0.61 cents per share of Class A common stock, which will be paid on March 5th, 2026 to holders of record as of February 19th, 2026.

I'll now turn the call over to Jon.

Jon Winkelried

Good morning, everyone. Thank you for joining us.

We look forward to discussing our strong results for the fourth quarter and full year. 2025 was a breakout year for TPG, and we entered 2026 with strong momentum. Before we turn to our results, I did want to briefly touch on a topic that has been top-of-mind for investors around the intersection of software and AI. This is an important question but not a new one for us at TPG. As a firm who has been investing in AI solutions for over a decade, the question of where AI is an opportunity in technology and where it poses a risk is deeply embedded in our investment approach. Let me put our software investing activities in context and talk about our approach across our asset classes.

Today, software represents 11% of our total AUM, with the majority in private equity and minimal exposure in credit.

Starting with credit, within our direct lending business, we focus on sponsor-backed companies with strong cash flow profiles and lend at the top of the capital structure with strong financial covenants that give us a seat at the table. Given our approach, we have not

invested heavily in the software sector and have not offered ARR-based loans. Today, software represents approximately 2% of our credit AUM.

In private equity, you've consistently heard from us on how important our sector-focused and theme-based approach is to our investment activities, and we've invested in software for more than 20 years. Today, software companies represent 18% of our private equity AUM. Our longstanding presence in the software space has enabled us to develop deep expertise and nuanced perspectives on the sector. We have a tremendous level of access to the companies into which we ultimately invest. As a result, we're highly selective in our investment approach, recognizing that not all software companies are created equal. Some companies will be disrupted by the AI evolution, while others will be empowered and accelerate.

As veteran software investors, our decisions focus on characteristics that will determine whether AI is an opportunity versus a threat. Examples of areas where we believe AI is an opportunity include:

- Software businesses that are systems of record, deeply embedded in workflows, where AI enhances the customer experience;
- Vertical software companies that have developed a proprietary data perimeter, where the application of AI creates incremental revenue opportunities;
- And, cybersecurity firms, which stand to be net beneficiaries due to the increased threats to enterprise data security from AI.

As a result of our focused and selective investment approach, we believe we have built a robust and resilient software portfolio that reflects our disciplined framework.

We would also note that as long-term, sector-focused investors, market dislocation generally creates compelling opportunities. With valuations resetting across the board, we believe we're well positioned to capitalize on attractive investments by continuing to apply our disciplined approach to this important sector.

Now turning to our results, 2025 was an outstanding year for TPG. We entered the year with a clear set of strategic priorities and executed across the board, setting new records in capital raising and deployment. Our performance in 2025 is a powerful proof point of our growth strategy, demonstrating the strength of our global franchise and our ability to generate differentiated outcomes for our clients and shareholders.

First, on capital formation, we set an ambitious goal to raise significantly more capital in 2025 than in 2024. We delivered on this objective, raising a record \$51 billion, an impressive 71% increase over the prior year. This reflects the strong upward trajectory of our capital formation efforts as our franchise has scaled and diversified.

We continue to gain share among the world's largest allocators of capital, who are choosing TPG given our strong performance across a broad set of strategies. In 2025, we formed 5 cross-platform and multi-fund strategic partnerships representing more than \$10

billion of total commitments that are flowing in over time. As we enter 2026, we're engaged in active dialogues around several additional multi-billion-dollar mandates.

Second, we successfully diversified and extended our capital sources across key distribution channels.

In 2025, we made meaningful progress in our private wealth strategy as we expanded our presence in the channel through new products and distribution partners, which I'll discuss in more detail shortly.

In insurance, our capital raised in the channel grew more than 50% in 2025, driven by our strong origination capabilities and the increasing demand from insurers for enhanced yield. Last month, we announced a long-term strategic partnership with Jackson Financial, marking a significant milestone for our Insurance Solutions business. This partnership is structured to provide us with long-duration, highly predictable fee revenue to further scale our credit capabilities and strengthen our position as a preferred partner for insurers.

Third, we had an extremely active year of investing as we leaned into our high-conviction thematic areas and continued to deliver strong performance for our clients.

Our investment pace accelerated throughout the year, reaching a record \$19 billion in the fourth quarter, up 88% year-over-year. Total capital deployed in 2025 climbed to \$52 billion, the highest annual deployment in TPG's history. This reflects the continued scaling of our capital base and product set, combined with our differentiated sourcing capabilities.

Importantly, throughout this period of robust capital deployment, portfolio performance remained strong, resulting in double-digit value creation across nearly all of our platforms in 2025.

We also maintained a consistent and disciplined focus on monetizations and generated \$23 billion of realizations in 2025. We recently announced several significant exits and are off to a strong start for DPI in 2026, which Jack will discuss.

And finally, we expanded our franchise both organically and inorganically, targeting adjacent areas that are highly complementary to our existing strategies.

In July, we acquired Peppertree, broadening our digital infrastructure investment capabilities and providing us with immediate scale in the wireless communications sector. We're pleased with the integration of the Peppertree platform and are pursuing several attractive growth opportunities, including extending the duration of Peppertree's capital.

We also continued to drive organic innovation, launching and scaling several new products in 2025. These included TĒCA, our Asia growth equity strategy; Hybrid Solutions; Sports; and Advantage Direct Lending, our new core middle market direct lending strategy which I'll discuss shortly. Collectively, our new and emerging strategies attracted over \$7 billion of commitments in 2025, underscoring our ability to effectively identify and scale high-potential opportunities across the TPG ecosystem.

We ended 2025 with over \$300 billion of AUM, up 23% year-over-year, and are experiencing a fundamental increase in our earnings power. Against that backdrop, I'd like to highlight each of our platforms, starting with Credit.

2025 was a breakout year for our Credit franchise. We successfully expanded many of our longstanding client relationships into our credit strategies and raised capital strategically through a variety of fund types, channels, and customized solutions. After setting ourselves up with substantial dry powder, our credit investment pace has begun to accelerate as we access a broader set of opportunities, which is driving management fee growth. We raised a record \$21 billion of credit capital during the year, up 67% from 2024, with a record \$9 billion raised in the fourth quarter alone.

In Credit Solutions, we held a final close for our third flagship fund, bringing total capital raised to \$6.2 billion. This exceeded our initial target of \$4.5 billion by nearly 40% and is double the size of its predecessor. In connection with this campaign, we welcomed a number of new leading institutional investors to the Credit Solutions platform and to TPG.

We also extended our existing credit capabilities into adjacent areas where we have a right-to-win. We recently launched TPG Advantage Direct Lending, or ADL, our new core middle market direct lending strategy. ADL leverages TPG's corporate credit and private equity franchises to originate proprietary investment opportunities. This includes lending to companies that "graduate" from Twin Brook's lower middle market portfolio, as well as sourcing directly for ADL through our network of companies, sponsors, and intermediaries. Early client engagement has been strong, and during the quarter we held a first close of \$875 million of equity, which translates to over \$2 billion of total buying power, including anticipated leverage. We've already built a portfolio of more than 10 first-lien loans and our near-term pipeline remains robust. Notably, ADL is structured as an evergreen vehicle and over time, we expect to expand its product set to serve clients across key channels, including insurance and wealth.

Our success in expanding our credit capital base has enhanced our investment capabilities, enabling us to lead and participate in a wider range of transactions. Our Credit platform invested a record \$25 billion in 2025, which represents a 54% increase year-over-year.

In Asset Based Finance, we deployed \$2 billion of capital in the fourth quarter, including in our residential whole loan strategy, where we continue to be a market leader. Over the course of the year, we further expanded our capabilities and closed notable transactions in consumer investment grade ABF, residential and second-lien mortgages, and bank synthetic risk transfers.

In Middle Market Direct Lending, Twin Brook had its most active quarter of the year with \$3.7 billion of gross originations. In 2025, Twin Brook established new lending relationships with more than 50 companies, bringing its portfolio to more than 300 unique borrowers. As a result of our leadership in the lower middle market, we entered 2026 with a very active pipeline.

And in Credit Solutions, with public high-yield spreads remaining near historic tights, we continue to focus on customized private financing solutions which offer a more attractive risk-return profile. In the fourth quarter, Credit Solutions deployed \$1.4 billion of capital to support the scaling of existing investments and to fund several new financings.

Turning to Private Equity, our franchise continues to meaningfully outperform the broader market. While overall industry fundraising for PE declined 11% in 2025, we grew our private equity fundraising by over 80% to \$28 billion in the year. Amidst a flight-to-quality and scale, our clients continue to choose TPG for our track record of delivering differentiated returns and DPI.

In the fourth quarter, we closed an additional \$2.2 billion for TPG Capital 10 and Healthcare Partners 3, bringing the total capital raised to \$12.2 billion, including commitments that are signed but not yet closed. Momentum in the Capital and Healthcare Partners campaigns continues to be strong.

We also held a first close for TPG Sports in the fourth quarter, raising \$750 million of third-party capital, including commitments from several of our leading institutional investors. We are evaluating a robust pipeline of investment opportunities, ranging from sports-related operating companies to essential “picks and shovels” service providers.

Across our Private Equity strategies, we invested \$21 billion of capital in 2025, double the prior year.

In TPG Capital, during the fourth quarter we announced the carveout of the manufacturing connectivity and data business from PTC. This investment is consistent with our deep expertise in sourcing and executing corporate carve-outs and structured partnerships.

Our investment teams have been very active across our Rise and Rise Climate funds, with \$5 billion of signed or closed investments in 2025. Given the global scope of our strategy and the unprecedented growth in energy demand, our opportunity set continues to expand.

In the fourth quarter, TPG Rise Climate acquired a majority stake in Pike Corporation, a leading turnkey infrastructure solutions provider for electric utilities in the U.S., in partnership with La Caisse. Power and utility services is a core thematic focus for us, supported by considerable tailwinds in utility spending.

TPG Rise Climate’s Global South Initiative announced a \$1 billion investment in the AI data center business of Tata Consultancy Services. We are partnering with Tata to collaborate with hyperscalers and AI-native businesses to build data center capacity to meet India’s accelerating demand. This proprietary opportunity stems from our longstanding partnership with the Tata Group and builds on our successful investments in both Tata Motors and Tata Technologies.

Additionally, our GP-led secondaries business continues to differentiate itself as an attractive liquidity provider and strong partner for best-in-class assets. In the fourth quarter, TPG GP Solutions was a lead investor in a €2-billion-euro continuation vehicle for

Wireless Logic, a leading global internet-of-things solutions provider. We believe this investment is the largest single-asset CV completed in Europe in 2025.

Moving to Real Estate, we continued to build out and drive value creation across our investment portfolios ahead of a major fundraising cycle. In 2025, we deployed \$6 billion of capital and our Real Estate platform appreciated 9%, which we believe is among the highest in the industry.

During the fourth quarter our Thematic Advantage Core-Plus strategy, or TAC+, acquired a majority interest in Quarterra, an established national developer of high-quality multifamily communities. TAC+ carved out Quarterra from Lennar, one of the nation's leading homebuilders and an existing partner of TPG through our Essential Housing strategy. We are excited to partner with Lennar and Quarterra to help address the critical need for attainable, high-quality rental housing in the U.S.

The deal pipelines across our platforms remain robust. We ended the year with \$72 billion of dry powder, and given our ability to source proprietary opportunities coupled with an improving transaction environment, we expect our deployment pace to continue to accelerate.

Turning back to private wealth, I'd like to provide additional detail on this important growth area for TPG. We expanded our retail product suite, which is now anchored by TPOP and TCAP, and continue to capitalize on the growing demand for our differentiated investment capabilities.

TPOP has had one of the most successful launches for a private equity evergreen vehicle. TPOP has delivered an inception-to-date return of 23% and the TPOP strategy has generated \$1.5 billion of total inflows through January. We are actively expanding investor access to TPOP, including our geographic reach into regions like Asia.

Inflows for TCAP, our non-traded BDC, continue to grow and it ended the year with \$4.5 billion of AUM. Despite the recent volatility and uncertainty in the BDC space, TCAP has had positive net subscriptions every quarter since inception, with redemption requests of less than 1% of total shares outstanding in the fourth quarter. Our distinctive focus on lending to the lower middle market, supported by conservative capital structures and active portfolio management, continues to attract strong demand.

Across these private wealth products, we've meaningfully grown our brand and distribution network. Our private wealth fundraising grew 66% year-over-year, and we are now partnered with over 40 platforms globally. As we deepen our engagement in the channel, we are encouraged by the traction we are gaining with both new and prospective partners.

Taking a step back, as I reflect on the four years since our IPO, it's clear we have driven transformational growth and reached a new level of operating scale. We have nearly tripled our AUM, expanded our FRE margin by almost 800 basis points, and grown our fee-related earnings at a 31% compound annual rate. As we look ahead, we expect to continue driving outsized growth by:

- Scaling our existing and newer strategies,
- Deepening the integration of our capital markets capabilities across the full breadth of our franchise,
- Driving additional margin expansion and operating leverage,
- Further penetrating the private wealth and insurance channels,
- Extending the duration of our capital base,
- And selectively capitalizing on inorganic opportunities.

We entered 2026 with significant momentum that reflects the strength of the franchise we've built. Our increased diversification, scaled investment strategies, and strong returns have created a powerful flywheel effect across the firm, and we look forward to continuing to deliver sustained growth and value for our clients and shareholders.

Jack will now walk you through our financial results and provide more details on our outlook.

Jack Weingart

Thanks, Jon.

As Jon noted, 2025 was an outstanding year for the firm. We have been executing on our growth strategy and translating our fundraising momentum and investment performance into strong financial results.

We reported full year fee-related revenue of \$2.1 billion, including \$628 million for the fourth quarter, which grew 36% year-over-year.

Our management fees reached \$475 million for the quarter, up 18% from the prior year, as we continued to successfully drive both (i) fund-over-fund growth across our private equity strategies and (ii) fee-earning deployment in our Credit platform.

Additionally, fourth quarter transaction and monitoring fees more than tripled from the prior year, to \$122 million. This resulted in full year 2025 transaction and monitoring fees of \$249 million, which grew nearly 70% year-over-year. This step-function increase was driven by our accelerated deployment pace as well as the further integration of our strong capital markets capabilities across our platforms and geographies.

We also generated \$29 million of fee-related performance revenues in the fourth quarter as a result of strong fund performance for both TPOP and TCAP.

We reported fee-related earnings of \$326 million for the quarter and \$953 million for the full year, which increased 25% from 2024. As a result of our significant capital markets revenue at the end of the year, our fourth quarter FRE margin reached a record 52% and our full year FRE margin was 45%, a 340-basis point expansion from 2024. I would note that even if we normalized our fourth quarter results to reflect a lower level of capital markets revenue, we would still have exited the year above the mid-40s margin target we had guided to previously.

Turning to PRE, in the fourth quarter, we generated \$48 million of realized performance allocations, driven primarily by our Credit platform, bringing the full year total to \$205 million. We ended the year with a net accrued performance balance of \$1.3 billion and have good visibility into near-term PRE, which I'll discuss more in a few minutes.

Our accelerated earnings in the quarter drove a higher marginal tax rate as we utilized the tax benefits from our RSU vesting more quickly than anticipated. This resulted in a higher tax rate in the fourth quarter.

As a reminder, our annual RSU vesting occurs each January, which drives a seasonal employer tax expense in our cash-based compensation and benefits line item that impacts our FRE margin. This expense generates tax deductions, resulting in a seasonally low first quarter tax rate. In Q1 2026, we expect approximately \$20 million of employer tax expenses associated with this year's vesting, and a tax rate in the high single digits to low double digits. We expect our tax rate to remain there until we utilize our tax deductions.

Our fourth quarter after-tax distributable earnings increased 17% year-over-year to \$304 million, or \$0.71 per share of Class A common stock, our highest level since becoming a public company.

We finished 2025 with \$303 billion of total AUM, which increased 23% from 2024. This was driven by \$51 billion of capital raised and \$24 billion of value creation, partially offset by \$23 billion of realizations over the last twelve months. Our fee-earning AUM grew 20% in 2025 to \$170 billion at year end.

Even with our strong investment pace, our dry powder increased 26% year-over-year to \$72 billion at the end of 2025, representing 43% of FAUM. This positions us well to continue capitalizing on an increasingly active market. AUM subject to fee-earning growth was \$40 billion at year end, including \$29 billion of AUM not yet earning fees, which increased nearly 50% over the past year. This was primarily driven by strong fundraising across our Credit platform, which generally earns fees on invested capital, as well as capital committed for certain funds that have not yet been activated, such as Healthcare Partners 3.

Notably, we ended the year with \$19 billion of Credit AUM subject to fee-earning growth, which represents approximately \$130 million of annual fee revenue when deployed. We are well-positioned to drive accelerated growth in Credit fee-earning AUM going forward due to our ability to effectively pursue credit opportunities across the full size and return spectrum.

Our AUM growth continues to be underpinned by the strength of our investment portfolios, with double-digit value creation across nearly all of our platforms in 2025.

Our private equity strategies in aggregate appreciated 3% in the fourth quarter and 11% over the last twelve months. Across our Capital, Growth, and Impact platforms, our portfolio companies have consistently outperformed the broader market, with revenue and EBITDA growth of approximately 17% and 20%, respectively, over the last twelve months.

Our Credit platform also appreciated 3% in the quarter and 11% over the last twelve months.

In Middle Market Direct Lending, our rigorous underwriting standards have resulted in continued strong credit quality across our portfolios. Non-accruals remain extremely low at just over 1%, while our average interest coverage ratio has held steady at more than 2 times.

In Credit Solutions, our second flagship fund generated net returns of 4% in the fourth quarter and 11% for the full year, which continue to meaningfully exceed the U.S. High Yield Bond Index.

Lastly, in Asset Based Finance, our first ABC fund's net IRR since inception remains above its target range at 13.2% at the end of 2025. Additionally, our MVP fund with \$6.8 billion of AUM generated a net return of 9.4% for the year with significantly less volatility than the broader market.

Across our Real Estate platform, our portfolios appreciated 3% in the fourth quarter and more than 9% for the year. This strong performance was driven by particularly robust value creation in TREP's data center holdings as well as appreciation across our hotel, residential, and office portfolios. As Jon mentioned, we believe our real estate performance has outpaced the industry as a result of our portfolio construction and deep thematic conviction in sectors with positive secular demand and resilient operating fundamentals.

Now, I'd like to walk through our outlook for 2026.

First, regarding fundraising:

2025 was clearly a breakout year for us, with fundraising increasing 71% year-over-year to a record \$51 billion. Importantly, we do not see this as a cyclical peak. In fact, given the growth and diversification of our business over the past few years, our strong investment performance, and the continued build out of our fundraising team, we believe we have reached a new level of expected annual fundraising, with less volatility and less cyclicity.

As a result, we expect 2026 to be another robust year of capital formation with aggregate capital raising expected to exceed \$50 billion. Our fundraising will be driven by the following key building blocks:

In Real Estate, we expect 2026 to mark the beginning of a major fundraising cycle and a multi-year period of growth. We expect to begin fundraising for TPG Real Estate's next fund, TREP 5, as well as our Asia fund, our Japan Value fund, and our TPG AG U.S. Real Estate fund.

In Credit, we expect to further scale our capital across all our existing strategies and to expand into adjacent areas and fund types. This includes growing our investment grade ABF business and raising additional capital for our CLO platform as well as newer strategies such as Advantage Direct Lending and Hybrid Solutions.

In Private Equity, we expect several drivers, including:

The completion of our flagship fundraises across our Capital and Climate private equity funds;

Additional closes for GP Solutions, Tech Adjacencies, our Asia growth equity fund, our sports fund, and our transition infrastructure fund; and

Initial closes for our next Rise and Peppertree funds.

In our Insurance Solutions business, we expect our strategic partnership with Jackson to close this month. As we noted on our call earlier this year, we structured the agreement with a minimum requirement of \$4 billion of FAUM after 2 years, and \$12 billion of FAUM by the end of year 5.

In addition to our Jackson relationship, we expect Insurance Solutions more broadly to continue to be an important growth driver for the firm.

And in private wealth, we expect our inflows to inflect further in 2026 as we broaden our distribution networks globally. We expect to onboard several significant distribution partners for TPOP over the next few quarters, with a particular focus on expanding our international footprint.

Additionally, we intend to grow our suite of wealth-dedicated products to showcase TPG's differentiated investment capabilities, with a multi-strategy credit interval fund and a non-traded REIT as our near-term priorities. We are also actively engaged in several discussions with potential partners on structuring innovative public-private products, and we will have more to say here in the coming quarters.

Next, on our FRE margin, we remain focused on driving greater operating leverage across the firm, even as we continue to invest in a number of long-term growth opportunities. In 2026, we expect a full-year FRE margin of approximately 47%. This would represent an increase from 45% in 2025, which was somewhat elevated, and an increase of approximately 700 basis points from 40% in 2023 on a pro forma basis, assuming we had closed the Angelo Gordan acquisition on January 1st.

Turning to PRE, we have been active on the realization front, and assuming market conditions remain favorable, we would expect our strong and consistent pace to continue or even accelerate. Based only on our current pipeline of signed monetizations, including the strategic sale of OneOncology to Cencora which closed earlier this week, we expect to generate realized performance revenue of more than \$50 million for public shareholders in the first quarter.

On the non-core expenses included in our realized investment income and other line, we expect the expense associated with the build out of our new office at Hudson Yards to continue through 2026. We plan to consolidate our New York offices and take full occupancy of the space in the first half of 2027.

Lastly, at the end of the fourth quarter, our net debt was \$1.6 billion and we had \$1.75 billion of undrawn capacity on our revolving credit facility. At the time of closing of our strategic partnership with Jackson, we will invest \$500 million into Jackson common stock, which will be funded through our revolver. Pro forma for this, we expect our net debt balance to be \$2.1 billion.

In closing, 2025 was an exceptional year as we successfully executed on our growth objectives and demonstrated the growing earnings power across our global platform. The strong financial and operating results we reported today are a direct result of the strategic building blocks we have been putting in place over the last several years to drive the next phase of our growth. With a clear roadmap for the year ahead, we are confident in our ability to continue delivering differentiated value and growth for our stakeholders.

Now I'll turn the call to the Operator to take your questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) We'll take our first question from Glenn Schorr with Evercore ISI.

Glenn Schorr^ Well your fourth on the list, so I apologize if I'm going to try something different. I think I don't know why not, right? So I feel like you and others have put up good performance. You have a lot of diversification. You're raising capital, the institutional channels unbothered and your stocks fall like rocks because people think it's looking in the rear view, particularly direct lending.

So I'm trying to think of -- it must be that they don't believe the performance will sustain and that the stats that you've given can't hold up.

So do you think there are either any actions to take by you and the industry to solidify belief and confidence on the direct lending side and/or maybe you could talk about what the process is of valuing the portfolio and coming up for performance?

Because I'm finding hard to believe you just pick numbers out of the hat, like maybe bring that side to life if there aren't actions to take because I appreciate that you're doing everything else that you can.

Jon Winkelried^ Well good question, Glenn. Just to start with maybe the back half of your question and then coming back around to the front part of your question with respect to the performance and then how it plays out with respect to how it affects growth or how it affects our performance.

But from our perspective, I think the market is well familiar with our franchise as being directed and focused to the lower middle market. And the lower middle market is fundamentally different than the upper middle market.

So -- and we can talk about the upper middle market, if you want to, but the lower middle market is fundamentally different in that, our business is a sponsor-based business in terms of the companies that we're financing.

But we're doing that as generally the only lender and in that process also have a dynamic with respect to the terms with which we lend. And we're not competing importantly, against the BSL market. We're not competing.

It's not -- unlike the upper middle market where direct lenders are actively competing against the banks and it's a race to the bottom with respect to terms, spreads, covenants, et cetera. That's not the case in the space that we're lending in. And so I think as the data suggests, our coverage ratios are generally higher.

Our loans are not PIKing. Our spreads are generally higher, and we have a discipline of always applying at least two financial covenants to our loans within the Twin Brook franchise. We also control the revolver.

So one of the things that gives us -- going to your question of how do we monitor performance and how do we value these loans -- is that we have a very unusual window, frankly, into what's going on with our borrowers and the underlying performance dynamics. For instance, if you are watching the draw of revolvers. That's a very good leading indicator of credit quality within the lower middle market and allows you to get -- essentially allows us a seat at the table with the sponsors, with our borrowers to understand what's exactly happening inside these companies.

So it gives us a very kind of tactile feel with respect to what's happening across our portfolio. And as a result of that, our ability to establish, like all lenders should establishing, a watch list to understand what companies -- how companies are performing, where we need to spend more time, where we're paying attention, et cetera, where we're engaging with our sponsors, it gives us a much more tactile feel for that.

So in terms of our ability to value our portfolio and really be in touch with performance, I think it is quite enhanced as a result of that.

Relative to what you might have if you were financing, let's say, a much bigger buyout as an example, where it's a cov-lite loan or -- and essentially, you don't have any of those similar types of controls. There is a difference.

So hopefully, the market can draw some comfort from the fact that we're very in touch with our borrower base. In addition to that, I think we've said before that about half of our originations have been add-ons to our existing portfolio. So it's companies that we know, we've underwritten, we were closely in touch with.

We're working with the sponsors. And those add-ons, essentially, they're coming directly to us and working on a one-on-1 basis to structure whatever the amendments might be, to structure whatever the expansion of the facilities might be.

And we also get paid whenever we do that as well. So hopefully, that provides some clarity as it relates to how we think about valuing the portfolio. It's a very rigorous process and it gets a lot of focus and a lot of attention.

On the issue of the direct lending space more broadly and how the market is reacting right now. In terms of how we will track, and what will performance look like over time? I mean I think we're only going to know over time okay? It's just the nature of the lending markets. And, as you know the lending markets -- in order to maintain performance, the key issue, obviously is avoiding capital loss.

The key issue is avoiding capital loss and managing, to the extent you can, your exposures. And we're only going to know that obviously over time as things evolve.

What you have seen in the upper middle market, is you have seen a move toward amendments and liability management exercises LMEs, a reasonably significant increase in certain borrowers PIKing.

And so it's going to play out over time in terms of underlying company performance and we'll see.

With respect to how it impacts also our business in terms of flows, I think that's another important dynamic because the BDC world, obviously, is consistently in the market raising capital.

So confidence is a very important thing, both in terms of inflows as well as outflows, right, in terms of the redemption cycle and then are people still going to be allocating as a result of being nervous or scared?

I think that for TCAP, as I mentioned it in my comments, but just to give you an idea, I mean we've had quarterly -- essentially quarterly subscriptions going back to 2024 that have been increasing every quarter, and we've had very, very low redemption requests. That's obviously not the same necessarily across the entire market.

And so -- the other thing to consider is where the sources of capital are and where capital is coming from, and whether we'll see a slow down in the growth of the lending markets, the direct lending markets overall. And I think wealth markets, retail markets, it's not surprising that people get nervous and either want to lower their exposure to the sector. or just slow down their allocations to the sector.

We're not experiencing that within our business at this point because of the strong performance, and what we're actually seeing is we're seeing some level of movement of capital, both from the wealth market as well as institutionally into this part of the market, the lower middle market, to diversify their exposures because of these characteristics that I described. So I don't know that's a little bit of a framing if that's helpful.

James Coulter^ Hi, Glenn. Jim Coulter here. To your first question on what we can do -- it's been my experience, and I'm sure you've said over time that when the market gets happy or worried, it tends to move things together. And the second step is usually differentiation,

understanding where there are differences. So I think at this moment, it's not really so much software or no software, it's which software?

And so trying to help that understanding. The second point I would look at is LP flows. You can assume that issues around valuation and momentum are well understood in the LP market as they're doing work on new funds.

And as Jack said, you see a very substantial gap in our fundraising versus the market. And I think you can assume that these issues have been thought about in the LP community for a while and watching the LP flows as a way of kind of getting some comfort on that.

Operator^ We'll take our next question from Ben Budish with Barclays.

Benjamin Budish^ I was wondering if you could unpack a little bit more the pickup in transaction fees in the quarter. I think, Jack, during your prepared remarks, you talked about on the fundraising side, you expect to see things structurally step up looks like that's kind of the direction of travel there as well. You've got growing dry powder. Feels like the deployment activity is really picking up.

It also looks like in the quarter, your transaction fees relative to deployment were a little bit higher than average. I know things like monetization and transaction fees are hard to forecast even just a couple of quarters out, but just given this step-up and maybe kind of your line of sight, how should we be thinking about revenues there for 2026?

Jack Weingart^ Thanks for the question. Good question. Look, we've been talking for several years now about the efforts we've been undertaking to broaden and grow our capital markets business. and our view that, that would be an outsized grower for us.

It's obviously as you point out, going to be a bit lumpy. But as I pointed out in my remarks, the growth that we're seeing is really driven by the growth of deployment but also the broadening out of this business across the entire firm.

If you could look back three, four years ago, it was very TPG Capital-centric and now is much more diversified. To give you a little more color behind Q4, the transaction fees that we recorded in Q4 were across 26 different transactions.

Of course, there are all a little concentrated toward the biggest but 26 different transactions broadly spread across the Impact platform, the Capital platform, the Growth platform, the Credit platform. And I would say that growth across the firm and the growth of capital markets fees in new businesses, we're only in the beginning innings of that.

So while it will be lumpy and while the fourth quarter was above trend, we continue to view capital markets as a long-term growth opportunity for us.

Operator^ Our next question comes from Ken Worthington with JPMorgan.

Kenneth Worthington^ Maybe just following up on that, how is the baseline of your capital markets capabilities changed over the last year. So again, it's going to be volatile. We get that.

But is there a way to help us figure out how what you've invested in has actually grown and should translate into revenue, all else being equal? And then if we look out another year, how should we expect that baseline to have changed a year from now? This question makes sense?

Jack Weingart^ Yes. I'll start on that. If you look at what we've done to grow the business, I would start with our team because in order to be delivering capital markets services across our portfolio, in a way where management teams want to hire us to drive their capital structure evolution.

We need to have smart people engaging with our portfolio companies, engaging with our deal teams in greater numbers across businesses, and we've done that. I think over the past two or three years, we've more than doubled our capital markets team.

So we're actively engaging across all of these portfolios, and looking for opportunities to help our management teams drive capital structure optimization, drive efficient exits, that kind of thing.

There's no good way to model this other than in the private equity businesses there should be a correlation between capital deployment and capital markets fees. There's also a second prong which is kind of regular way balance sheet optimization of existing deals.

So the sources of income and capital markets in private equity-oriented businesses will be both funding new deals and financing and refinancing existing portfolio company balance sheets to optimize them. And I guess the third piece would be add-on acquisitions for existing companies which would usually have equity capital deployment associated with them.

On the credit side, it will be different across different credit businesses, but flows of deployment should also be probably the most important metric to measure capital markets opportunity. Hopefully, that helps.

Operator^ We'll take our next question from Alex Blostein with Goldman Sachs.

Alexander Blostein^ When we think about the credit business at TPG, you guys have done a really sizable build out there over the last year, 1.5 years, lots of fundraising.

So maybe talk a little bit about the outlook for net deployment across various verticals within credit as a source of management fee growth for TPG to 2026?

Jon Winkelried^ Yes. Thanks, Alex. Look, obviously there's been an important relationship between capital formation and putting ourselves in a position where we can do more.

As you know I mean the credit business can be quite scalable as it relates to identifying and sourcing transactions and the size of those transactions? And how much of it we can deploy into it ourselves versus how much of it we're syndicating away to other participants in the market.

And so our underlying base has gone up and grown a lot as a result of the pools of capital that we're now investing.

If you look at the other related opportunity for us in terms of deployment across our business is as a result of the coming together of TPG and Angelo Gordon, and the collaboration and the synergies that we're seeing between our equity franchise and our credit franchise, our ability to -- the breadth of our sourcing capability, our relationships with companies, our relationships with sponsors, the ability to do really interesting things at scale, particularly in our Credit Solutions franchise as an example, it's going to provide us with a continued upward trend and perhaps even a step function in terms of opportunities for us. And so on the back of raising a meaningfully larger fund there, we're going to have an opportunity to deploy a lot more capital.

On the structured credit side, which obviously has a lot of tailwinds with respect to private capital financing, that part of the market, whether it's IG ABF or the residential mortgage market, consumer finance, et cetera, we're seeing a big step function in terms of deployment there.

I mean obviously just to give you an idea in structured credit from 2023 to '24 to '25, we've seen almost a tripling of our deployment there to just under \$10 billion of capital in 2025. And in other parts of the business, they are going to -- are experiencing similar growth.

I think the introduction of ADL for us, which is going to attract borrowers that we know or we have a competitive advantage. I think that's going to give us an opportunity to deploy capital more aggressively and bigger size.

And then to the point we were just talking about on the capital markets side, the development and evolution of our broker-dealer and the capital markets opportunity, capital markets is not only a financing enabler and a syndication function. It's also a sourcing function as well. And we're seeing that more and more. And if you look at our capital markets revenues, the amount of capital markets revenue now coming out of our credit business on a relative basis, is still modest. And so there's a lot of upside there as well for us.

So we're set up well with scaling pools of capital, the insurance capital that's coming in, on the opportunity set that that's going to give us where we have clear visibility on capital coming at us and our ability to build our product set there, and just do it at scale.

It's a very scalable market, whether it's resi mortgages, whether it's consumer credit, or other structured finance opportunities for companies. It's a very scalable market.

Operator^ We'll go next to Craig Siegenthaler with Bank of America.

Craig Siegenthaler^ I had a follow-up to Glenn's question which I thought was a good one, but I wanted to ask it on the software equity book, not the debt book. And I think you pointed out, not all software companies are created equal.

But I was hoping you could walk us through some of the qualities of your software buyout and growth books that make you feel more comfortable when you think about future returns. And also, what type of companies have you generally avoided? And what type of companies do you own that you think are not impacted at all from AI disruptions?

Nehal Raj^ Craig, this is Nehal Raj. Great questions. Let me start by saying we've got a very informed perspective on this topic, having invested in the software space for over 20 years, and into the AI space for over a decade.

And this experience has really served us well over lots of tech transitions, the on-premise to cloud transition, GSE, COVID, we navigated all those transitions with strong returns and low loss ratios, so we'd expect the same with respect to -- as Jon mentioned in his remarks, we've identified a number of characteristics that we believe will largely determine AI winners from AI losers, where there's opportunity and where there's a threat for software companies.

And to your question, let me double-click a bit on where we're seeing opportunities first, both in the market and our portfolio. The first area is vertical market software. Vertical market companies tend to reside on a lot of proprietary data that's generated over decades. This data is typically managed in a closed system.

So third-party AI cannot access this data. And it can really only be monetized by internally developed AI which works to the benefit of these companies.

I think an example maybe to bring it to light in our TPG Capital portfolio, we own a company called Lyric. Lyric processes the majority of medical claims in the U.S. and over a period of many years has built up a very, very unique data set. This data is not available to third-party AI firms. And that makes Lyric really uniquely positioned to apply AI to this data set to create new value for its customers, and we are the control owners of Lyric. So we've been really driving new AI products under our ownership, and this has actually resulted in a significant acceleration in the revenue and revenue growth of this company.

I'll give you one other example to the positive which is in cybersecurity. Many of these companies stand to benefit and be the beneficiaries of AI adoption. Another example to bring this to capital portfolio is a company called Delinia.

Delinia is a provider of identity-based cybersecurity for enterprises. And what its core functionality does is it determines and manages the level of access that an employee could have to corporate systems and corporate data.

And what's really interesting is as AI agents proliferate, they need identity and access to systems -- and what we're seeing in our business is net new demand for Delinia products and new revenue growth opportunities that are coming out of this.

So these are just a few examples of those spaces and companies, but this is the framework that's really guided our investing in this space over the last several years. And as a result, the vast, vast majority of our software portfolio falls into these categories where we think AI is going to be a strong tailwind and benefit to our companies.

I'll mention a little bit on the areas that have the potential to be more impacted also to answer that part of your question. And I would say, in general, these would be horizontal applications, not vertical, horizontal applications that are not systems of record and maybe sit on top of other systems of record.

Those are much more prone to AI-based disruption, and I also say infrastructure related software that may not be supporting new AI technology architectures. Those are also more at risk.

Our overall level of exposure and investment because of this framework that we've been using over the last several years is pretty minimal to these areas of AI risk.

Operator^ Our next question comes from Mike Brown with UBS.

Michael Brown^ Maybe just kind of build on the last question. So another question for Mail here. So great color on the different types of exposure and kind of breaking that down for us. Could you maybe also break down a little bit more about the funds? And what is kind of the vintage mix here of the software investments?

And specifically, how much of the exposure would be from that 2021 cohort. And then I'd love your thoughts on how to think about the broader software industry here. Like what's -- how does this potentially play out in terms of disruption?

When would that ultimately come through in terms of maybe timing here, just given some of these contracts have a bit of a long life to them. Like when do we start to really see some of this come through?

Nehal Raj^ Yes. Let me start by maybe framing a little bit our last five or six years of software investment and realization activity. In that 2020 to 2022 period, we were big time net sellers in our software portfolio. Part of that was due to the valuation environment at that time. Part of it was due to the value that we'd already created in our portfolio of companies.

And so I remember very distinctly during that time period, we exited every one of our software companies in TPG VII and before, if you're looking at our fund vintages. So those funds have been ex software for the better part of five years as a result of that activity.

So that means most of our software investment activity really has resided in Funds VIII, IX and now X. And the benefit of that is we had pretty good visibility into what's happening in AI over that time period.

So where you will see more risk is in companies that were underwritten in 2018, 2019, 2020 prior to the advent of generative AI and those vintages are more susceptible to risk and disruption. The great part about our setup is having exited those companies.

We were able to underwrite with the knowledge of what's happening in generative AI, and I think have generally adhered to this framework that I mentioned earlier.

I'd also maybe answer the second part of your question in terms of when does the disruption play out? I understand your point about long contracts, but we're starting -- where there is disruption.

I think it's starting to become evident in results. If you think about a CIO's budget in an enterprise -- it's being inundated with requests for AI-oriented purchases and expenditures. As a result, some tough choices are having to be made.

If you're spending more on AI, what are you spending less of to stay within your budget and that's really creating already, winners and losers. Now some of that is maybe more in bookings than revenue.

But because we are control investors, we have the opportunity to really look under the hood of the companies that we're investing in. And we can look at leading indicators, we can look at retention rates.

We can look at detail that you may not get if you're just a lender, and that's giving us really good insight as to where winners and losers are residing in this market. But I would answer your question, the disruption when it is happening, is happening now.

Operator^ Our next question comes from Brennan Hawken with BMO Capital Markets.

Brennan Hawken^ Like we snuck in right under the wire here. So was curious, it looked like the fee rate adjusting for catch-up fees ticked down quarter-over-quarter.

Can you speak to maybe what drove that? And how we should be thinking about the fee rate going forward, whether there are any funds coming off the holidays and whatnot?

Jack Weingart^ Yes. It's Jack. Fee rates are blended across lots of different funds and different fee structures that have lots of things impacting them. I would tell you that the biggest thing impacting at the highest level, our firm-wide average fee rate is the mix of where we're investing.

Because if you think about some of the businesses we've been growing most actively -- credit, some new areas of credit like investment-grade ABF, those generally have lower fee rates than our traditional private equity business.

So you'll see that mix drive fee rate just blended across the businesses. If you look at each fund, one at a time each business line, we're not seeing material fee rate degradation in any one business. So it's more a question of the mix. The other thing that was going on in the fourth quarter is we saw a step down in TPG IX.

So if you simply calculate, for example, the average fee rate in the TPG Capital in our private equity business, we had our FAUM step down in the fourth quarter while we activated Fund X in the third quarter.

So the average fee rate in our capital business was a little elevated in the third quarter because we're charging fees on both of those funds, and that one fund TPG IX, which is big, it was a \$3 billion step-down occurred in Q4. So that may be what you're seeing.

Operator^ We'll go next to Arnaud Giblat with BNP.

Arnaud Giblat^ I've got a question from real estate, please. That's a big part of your fundraising for 2026. I was just wondering if you could talk a bit more about the confidence around that, in particular in the context of maybe performance in the broader real estate market and maybe the outlook still being softer. How confident are you run from resin real estate?

Jon Winkelried^ Yes. Sure. We feel great about the outlook for our real estate franchise and for this fundraising cycle. And we have a fair amount of confidence based on the strong performance that we have had.

Obviously you can see our value creation numbers which have been very, very strong and, frankly, industry-leading. And we have some distinct elements of our franchise that our investors are quite interested in, particularly when you look at what's going on in various markets and the return opportunities that people are looking at.

Real estate obviously has gone through a pretty tough run over the last number of years, and we've been consistently talking about this on our calls and in our communication, that we've seen a distinct change in terms of the opportunity set on the real estate side. And for us, in terms of our deployment and taking advantage of those opportunities.

For us, it started, frankly, more than a year ago where we started to see, as a result of stress in the real estate community, opportunities to acquire assets that we felt were very defensible and had a lot of upside. And so if you look at the deployment opportunity and where we've taken advantage of those opportunities, it's obviously ticked up over the course of 2025 in a meaningful way.

So we feel like what we're coming to market with in 2026 is a good, diverse set of opportunities for our LPs to evaluate. And obviously we've been in dialogue with our LPs about the fundraising cycle and about the real estate opportunity more broadly. And there is more interest from the LP community today in real estate than we've seen several years.

So we go into this with a lot of enthusiasm about this fundraising cycle, our ability to raise capital. And relative to what we expect fund over fund, we do expect growth on a fund over fund basis in all of these strategies. And so our -- we're pretty excited about it.

Jack Weingart^ I would just add, it's Jack, that the biggest tentpole in real estate for us this year is going to be the TREP business. And as Jon indicated, with our institutional LPs, we're already in different stages of dialogue and seeing very strong demand.

The other thing I would say is that's a business where we've never offered that product to the high net worth market, and we have one of our most strategic channel partners there, despite the fact that demand is moving more towards the evergreen market, who believes that our performance in that TREP business is so strong, they want to offer that closed-end fund to their system, and we expect material take-up there.

Operator^ Our next question comes from Brian Bedell with Deutsche Bank.

Brian Bedell^ Maybe just to go back to the connection between the deployment and transaction fees. And obviously you've been pretty clear that the deployment opportunity is broadly across the platform are continue to improve as we move into 2026, and that structurally augurs well for the transaction fees.

But just it's been improving throughout 2025, sequentially every quarter. And obviously we have a step -- major step up here in 4Q. So I appreciate that it was a broad-based good mix in 4Q and lumpy.

But was there vast improvement from 3Q to 4Q in the structure of what you did in terms of the teams in place? And then maybe another way to look at this would be if we were to quarterize or annualize that number in 4Q which I know is unbelievably lumpy what kind of upside would there be to the FRE margin for '26 in that type of scenario?

Jon Winkelried^ I'll just start and then Jack will add in. But I don't think there was anything that was structurally different about what we're doing other than what Jack described earlier. It's important that you understand the way we execute on this which is that we feel it's very important to have capital markets capability that essentially is embedded in each of these different businesses because, being early in the transaction cycle, being involved in the financing discussions and structuring deals early in the transaction cycle, is very important because you're gaining the confidence of your management teams, et cetera.

And in terms of the value add that we bring to bear as a result of being inside of these companies and really understanding them and being able to position the company, is the best we can with respect to structuring financing around it and bringing capital to bear, attracting capital to it.

So this is something that Jack mentioned before that we've consistently built out over the course of time across our businesses, continuing to do that. And so of course, I think transaction and financing revenue is going to be related to deployment and transactional activity.

There's no question about that. And I think there will be other overlaying factors depending upon where other capital is coming from -- but it will continue to be correlated to that.

However structurally, it is -- if you think about what is the baseline embedded structural opportunity, the structural opportunity, continues to go up for us as we think about how we're doing this.

And of course, as I mentioned before on the credit side, as we continue to build our credit platform and embed capital markets capability and our broker-dealer capabilities in that business, I think that's a structural upside for us in terms of something that we'll realize over the next couple of years.

So I think of it that way. If you looked at the capital markets revenue flow and you went back from 2024 through where we are today, you can almost look at like a progression. If you try to smooth the line, you can almost look at a progression on a quarter-by-quarter basis of the expansion of the opportunity set for us, and develop a little bit of a baseline that way because you're right, there will be lumpy, chunky opportunities like we saw in the fourth quarter.

Jack Weingart^ The only thing I'd add to that, Brian, is one factor that determines the revenue opportunity in any given deal is how the capital structure is put in place.

What I mean by that is, simplistically, if you think of either a broadly syndicated loan that's underwritten and distributed to the marketplace, or a private lending, a direct lending solution. In a broadly syndicated loan, our participation will be a percentage of the total fee opportunity in a directly placed capital structure where we are usually doing all of the work and placing the entire capital structure. And it did so happen that in the fourth quarter, there were a number -- it wasn't just one deal.

There were a number of larger transactions that closed in the quarter. where the deal was funded with a private capital structure, and our team did exceptional work to design those capital structures.

So that will also determine a little bit of lumpiness. Now on your margin question, Capital Markets revenue is very high contribution margin business. I would think about like 85% to 90% contribution margin on incremental revenue. So if we have very strong capital markets quarters like we had in Q4, that's what drove the FRE margin up in Q4.

Operator^ Our last question comes from Michael Cyprys with Morgan Stanley.

Michael Cyprys^ Just a question on the wealth channel. It seems T-POP is off to a good strong start.

I was hoping you could elaborate on some of the initiatives and steps you're going to be taking across the wealth channel here in '26 to accelerate growth across the existing vehicles and more broadly, how are you thinking about scope for new product development vehicles, potential partnerships to bring more of what you do to the private wealth channel and to ease point of access for retail?

Jack Weingart^ Yes. Good question, Mike. We're spending a lot of time on that. Job one for us as we started down this path several years ago was we have got to get T-POP right. This has got to work well. It's got to be viewed as a high-quality product.

It has to help us build our brand much more broadly in the channel than we had in the past, just placing one closed end fund at a time. And I would say we're off to a fantastic start there. T-POP on the platforms that we are on, we are one of the top, in some cases, the top, performing and top capital raising, private equity evergreen product on the shelf.

So step one is continue that expansion and continue to use this premier product to broaden our brand awareness and our active engagement of financial advisers across more platforms and that will lead to accelerated growth in T-POP this year. I think we talked about the growth rate we had this past year.

I would expect T-POP to more than double this year. and that will be the result of continuing to penetrate the existing channel partners.

And as I mentioned in my prepared remarks, we have several additional channel partners who have already selected T-POP in some cases -- in many cases, in competition with every other private equity evergreen product out there has one to add to their shelf this year.

So expanding on existing platforms, growing across new platforms. On both T-POP and TCAP, by the way, we talked about flows in TCAP. We expect TCAP to continue to grow as a very sizable direct lending option in the private wealth market. That's step one.

Step two is expanding our product set as you talked about. And we are actively working on both a multi-strategy credit interval fund to complement TCAP in a lot of ways. Think about that as the T-POP of credit for us, effectively investing across all of our different credit businesses in Angelo Gordon. And then the third -- the next product is a non-traded REIT. And as Jon indicated, we are seeing a resumption of real interest in real estate, not just in institutional LP land, but also in the high net worth channel partners.

We have a couple of our biggest channel partners who are eager to partner with us on a non-traded REIT that reflects everything we do in real estate without an older portfolio, with a newly seeded portfolio. So working on both of those.

And then the final piece, I would say, is the market is really moving in part toward what I would call bundled solutions that require partnerships with partners, more on the liquid side, the public side of the market.

Obviously a couple of our peers have announced those. And we have very active discussions going on with interesting partners who will open up more market opportunity, more mass affluent opportunity, and eventually the 401(k) market.

Operator^ Thank you. 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. Thank you all for joining us today. We know it's an extremely busy earnings day. So we appreciate you choosing to spend time with us. If you have any questions, as always, feel free to follow up with the Investor Relations team. Otherwise, we'll look forward to speaking with you again next quarter.

Operator^ This concludes today's TPG's fourth quarter and full year 2025 earnings call and webcast. You may now disconnect your line at this time. And have a wonderful day.