

15 MAY 2023 Naimish Keswani

## TPG lowers fundraising targets across flagship funds

- Funds still expected to be 10% larger than predecessors
- Manager makes credit comeback with Angelo Gordon acquisition
- Combined entity brings AuM to \$210bn

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TPG is lowering targets for four of its flagship vehicles due to a challenging fundraising environment, the manager announced in its first quarter earnings this week.

“We set our original flagship fundraising targets under different market conditions. We still expect each fund to grow compared to its predecessor, but in aggregate, they may not grow as much as we previously expected.” said TPG CFO Jack Weingart during the call.

The manager is currently in the market with its flagship TPG IX, Healthcare Partners II, Asia VIII, and Rise III. In aggregate, TPG expected to raise over \$27bn across the four vehicles.

“While it is still too early to tell what the outcome of each fundraise will be, we’re currently managing the business assuming we’ll raise an aggregate of \$23bn to \$24bn, which would represent greater than 10% growth over the aggregate predecessor funds,” Weingart added.

“This implies we would need to raise approximately an incremental \$7bn across these four funds. Based on our strong pipeline and LP engagement, we have confidence in our ability to achieve this outcome.”

Elsewhere, the manager closed its second technology adjacency fund, the TPG Tech Adjacencies II (TTAD II), with \$3.4bn in equity commitments last month.

The fund has a flexible mandate and is designed to invest in tech companies across all stages of growth through structured and opportunistic minority investments.

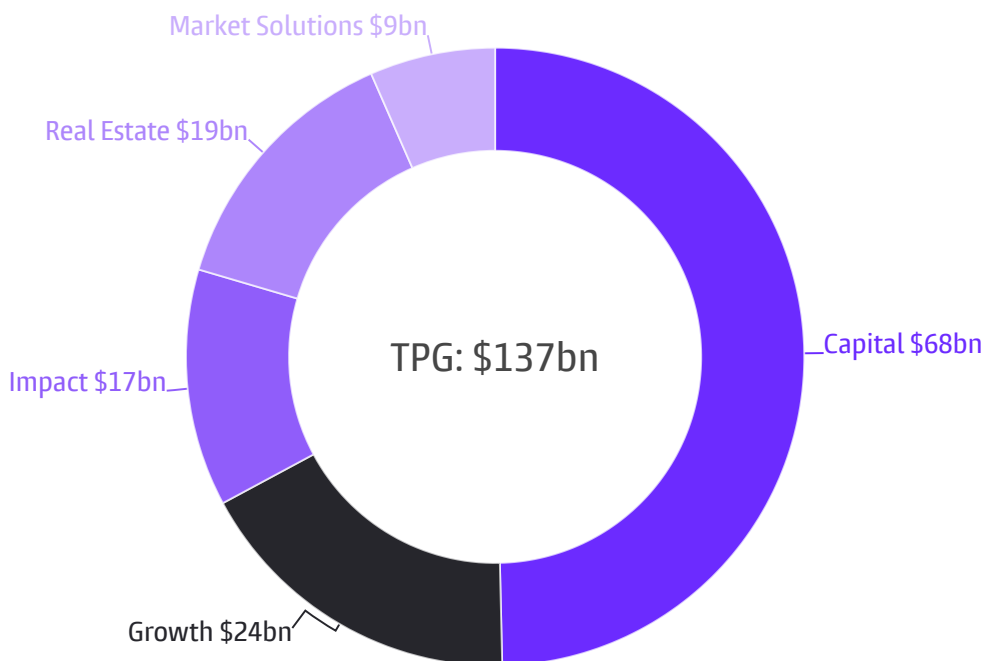
TPG is also preparing to launch its debut climate infrastructure fund in the coming quarters.

# TPG & Angelo Gordon

## Assets Under Management

TPG: \$137bn

Angelo Gordon: \$73bn



Source: TPG First Quarter 2023 Earnings

### Angelo Gordon Acquisition

The big-ticket announcement this quarter was TPG acquiring real estate and credit manager Angelo Gordon in a \$2.7bn deal.

The Fort Worth-based manager had been exploring ways to get back into credit, following the end of its non-compete period with Sixth Street Partners, which spun out as an independent firm in 2021.

“Angelo Gordon’s \$55bn credit platform brings significant momentum to TPG, in what is widely recognized as a multi-trillion-dollar opportunity in credit investing,” said CEO Jon Winkelried during the earnings call.

The firm’s \$18bn real estate platform also complements TPG’s existing real estate platform.

“The combination will expand our current real estate presence in Europe, open new geographies with their business in Asia, broaden our product set to include strategies such as net lease, and enhance our global sourcing capabilities,” Winkelried added.

## TPG & Angelo Gordon

### Combined Platform

		TPG	Angelo Gordon
Private Equity	Buyout	●	
	Growth Equity	●	
	Impact Investing	●	
Credit	Direct Lending		●
	Structured Credit		●
	Opportunistic Credit		●
	Multi-Strategy		●
Real Estate	Opportunistic	●	●
	Core Plus	●	
	Value Add		●
	Net Lease		●
	CRE Credit	●	
Other	Secondaries	●	
	Public Equities	●	
	Capital Markets	●	

Source: TPG First Quarter 2023 Earnings

### Combined IR

Notably, only 10% of both the managers’ LP relationships overlap, bringing the combined firm’s overall client base to over 900, diversified by geography and channel.

“One of the things that was really interesting [is] that we have modest overlap in terms of our LP bases. That presents a real interesting opportunity for us to both introduce one another to important LP relationships,” Winkelried said.

The combined capital formation group will also more than double in size upon the completion of the transaction.

“We were already investing in our capital formation and our fundraising capabilities. That’s been an area of focus for us,” Winkelried added.

“This more than doubles the size of our team and brings other disciplines and other product knowledge that we didn’t necessarily have within our core team. It expands our capability to form capital in a meaningful way.”

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