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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR OTHERWISE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON, MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, an investor may not be a U.S. Person nor be an investor located in the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to the Issuer and The Hongkong and Shanghai Banking Corporation Limited, UBS AG Hong Kong Branch, incorporated in Switzerland with limited liability, Standard Chartered Bank, Mizuho Securities Asia Limited and BNP Paribas, as the joint lead managers (the “**Joint Lead Managers**”) that (1) you and any customers you represent are not, and the electronic mail address that you gave to the Issuer and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities described in the Offering Circular, you will be doing so pursuant to Regulation S under the Securities Act, (2) you and the customers you represent are not a U.S. Person and (3) you consent to delivery of such Offering Circular and any amendments and supplements thereto by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer, the Joint Lead Managers or any agent of the foregoing of the securities or the Joint Lead Managers to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute directed selling efforts (within the meaning of Regulation S under the Securities Act) in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or its affiliates on behalf of the Issuer in such jurisdiction.

IN ORDER TO BE ELIGIBLE TO VIEW THE ATTACHED DOCUMENT OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES, INVESTORS MUST BE OUTSIDE THE UNITED STATES AND COMPLY WITH THE FOLLOWING PROVISIONS. YOU HAVE BEEN SENT THE ATTACHED DOCUMENT ON THE BASIS THAT YOU HAVE CONFIRMED TO THE JOINT LEAD MANAGERS THAT YOU AND ANY CUSTOMER YOU REPRESENT ARE OUTSIDE THE UNITED STATES AND THAT, TO THE EXTENT YOU PURCHASE THE SECURITIES DESCRIBED IN THE ATTACHED DOCUMENT, YOU WILL BE DOING SO IN AN OFFSHORE TRANSACTION, AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT, IN COMPLIANCE WITH REGULATION S.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of PineBridge Investments, L.P., Bridge Holdings Company Limited, the Joint Lead Managers or any person who controls PineBridge Investments, L.P., Bridge Holdings Company Limited, the Joint Lead Managers, or any director, officer, employee or agent of PineBridge Investments, L.P., Bridge Holdings Company Limited, or the Joint Lead Managers, nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



PINEBRIDGE INVESTMENTS, L.P.

(an exempted limited partnership formed under the laws of the Cayman Islands)

U.S.\$250,000,000 6.00 per cent. Notes due 2024

Issue Price: 100 per cent.

The U.S.\$250,000,000 6.00 per cent. Notes due 2024 (the “Notes”) will be issued by PineBridge Investments, L.P. (the “Issuer” or “PineBridge”), acting through its general partner, Bridge Holdings Company Limited (the “General Partner” or “Bridge Holdings”) and will be unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Interest on the Notes is payable semi-annually in arrear on 12 March and 12 September in each year, commencing on 12 March 2020. Payments on the Notes will be made without deduction for or on account of taxes of the Cayman Islands to the extent described under “Terms and Conditions of the Notes—Taxation”.

The Notes mature on 12 September 2024 at their principal amount but may be redeemed before then at the option of the Issuer, in whole but not in part, at any time at their principal amount, together with interest accrued to the date fixed for redemption. See “Terms and Conditions of the Notes—Redemption and Purchase—Redemption at the option of the Issuer”. The Notes are subject to redemption, in whole but not in part, at their principal amount, together with interest accrued to the date fixed for redemption, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Cayman Islands. See “Terms and Conditions of the Notes—Redemption and Purchase—Redemption for tax reasons”. The Notes may also be redeemed at the option of the holders of the Notes at 101 per cent. of their principal amount together with interest accrued to the date fixed for redemption following the occurrence of a Change of Control (as defined in the Terms and Conditions of the Notes). See “Terms and Conditions of the Notes—Redemption and Purchase—Redemption for Change of Control”.

Investing in the Notes involves certain risks. See “Risk Factors” beginning on page 17 for a description of certain factors to be considered in connection with an investment in the Notes.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and are subject to United States tax law requirements. The Notes are being offered in offshore transactions outside the United States by the Joint Lead Managers (as defined in “Subscription and Sale”) in accordance with Regulation S under the Securities Act (“Regulation S”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this Offering Circular, see “Subscription and Sale”.

Approval in-principle has been received for the listing of and quotation for the Notes on the official list of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Notes to the official list of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, its subsidiaries, its associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require. This Offering Circular is for distribution to professional investors only.

The Notes will be represented by beneficial interests in a global note certificate (the “Global Note Certificate”) in registered form, without interest coupons attached, which will be registered in the name of a nominee of, and shall be deposited on or about 12 September 2019 (the “Closing Date”) with, a common depository for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”). Beneficial interests in the Global Note Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Notes will not be issued in exchange for interests in the Global Note Certificate.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

HSBC

UBS

Standard Chartered
Bank

Mizuho Securities

BNP PARIBAS

This Offering Circular is dated 6 September 2019

IMPORTANT NOTICE

References to the Issuer in this Offering Circular shall be deemed to be references to PineBridge Investments, L.P. acting through Bridge Holdings, except where the context otherwise requires.

The Issuer, having made all reasonable enquiries, confirms that to the best of its knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer and its consolidated subsidiaries (collectively, the “**Group**”), and the Notes, that is material in the context of the issue and offering of the Notes (including all information which, according to the particular nature of the Issuer and the Group, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and of the rights attaching to the Notes); (ii) the statements contained in this Offering Circular relating to the Issuer, the Group, their affiliates and the Notes are in all material respects true and accurate and not misleading; (iii) the opinions and intentions relating to the Issuer and the Group expressed in this Offering Circular are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other material facts relating to the Issuer, the Group, their affiliates and the Notes, the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular, in light of the circumstances under which it was made, misleading; and (v) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Notes described in this Offering Circular. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons who are in possession of this Offering Circular are required by each of the Issuer, The Hongkong and Shanghai Banking Corporation Limited, UBS AG Hong Kong Branch, Standard Chartered Bank, Mizuho Securities Asia Limited and BNP Paribas (together, the “**Joint Lead Managers**”) and the Agents (as defined in “*Terms and Conditions of the Notes*”) to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Notes or the possession or distribution of this Offering Circular or any offering or publicity material relating to the Notes in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and the distribution of this Offering Circular, see “*Subscription and Sale*”. This Offering Circular does not constitute an offer of, or an invitation to purchase, any of the Notes in any jurisdiction in which such offer or invitation would be unlawful. By purchasing the Notes, investors represent and agree to all of those provisions contained in that section of this Offering Circular.

No person has been or is authorised in connection with the issue, offer or sale of the Notes to give any information or to make any representation concerning the Issuer, the Group and the Notes other than as contained herein, and if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the General Partner, the Group, the Joint Lead Managers or the Agents or any of their respective affiliates. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably and likely to involve a change in the affairs of the Issuer or the Group, or any of them since the date hereof, or create any implication that the information contained herein is correct as at any date subsequent to the date of such information. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers or the Agents or any of their respective affiliates to subscribe for or purchase any of the Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Notes solely for the purpose of enabling a prospective investor to consider purchasing the Notes. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Notes offered by this Offering Circular is prohibited. Each offeree of the Notes, by accepting delivery of this Offering Circular, agrees to the foregoing.

No representation or warranty, express or implied, is made or given by the Joint Lead Managers or the Agents or any of their respective affiliates, directors or advisers as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Notes, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Agents or any of their respective affiliates. The Joint Lead Managers, the Agents and their respective affiliates have not independently verified any of the information contained in this Offering Circular and can give no assurance that this information is accurate, truthful or complete.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Agents or any of their respective affiliates, directors or advisers accepts any responsibility for the contents of this Offering Circular or any statement made or purported to be made by any such person or on its behalf in connection with the Issuer, the Group or the issue and offering of the Notes. Each of the Joint Lead Managers, the Agents and their respective affiliates, directors or advisers accordingly disclaims all and any liability whether arising in tort or contract or otherwise that it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Agents or any of their respective affiliates, directors or advisers undertakes to review the financial condition or affairs of the Issuer or the Group for so long as the Notes remain outstanding nor to advise any investor or potential investor of the Notes of any information coming to the attention of any of the Joint Lead Managers, the Agents or their respective affiliates.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by the Issuer, the Joint Lead Managers or the Agents that any recipient of this Offering Circular should purchase the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular, and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

Any of the Joint Lead Managers and their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or their respective subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separated from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes). Furthermore, investors in the Notes may include entities affiliated with the Group.

The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

In making an investment decision, investors must rely on their own examination of the Issuer, the Group and the Terms and Conditions, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Notes. Each person receiving this Offering

Circular acknowledges that such person has not relied on the Joint Lead Managers or any person affiliated with the Joint Lead Managers in connection with its investigation of the accuracy of such information or its investment decision.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, an investor should consult his or her adviser.

IN CONNECTION WITH THE ISSUE OF THE SECURITIES, THE JOINT LEAD MANAGER APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE JOINT LEAD MANAGER) (THE “STABILISATION MANAGER”) MAY OVER ALLOT SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER STABILISATION MAY NOT OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE SECURITIES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In making an investment decision, investors must rely on their own examination of the Issuer and the Group and the terms of the offering of the Notes, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Notes. The Issuer, the General Partner, the Group, the Joint Lead Managers and the Agents and their respective affiliates are not making any representation to any purchaser of the Notes regarding the legality of any investment in the Notes by such purchaser under any legal investment or similar laws or regulations. The contents of this Offering Circular should not be construed as providing legal, business, accounting or investment advice. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Agents or any of their respective affiliates in connection with its investigation of the accuracy of such information or its investment decision.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer believes this information to be reliable, it has not been independently verified by the Issuer, the General Partner, the Joint Lead Managers, the Agents or their respective directors, advisers and affiliates, and none of the Issuer, the General Partner, the Joint Lead Managers, the Agents or their respective directors, advisers, affiliates or employees makes any representation as to the accuracy or completeness of that information. In addition, third party information providers may have obtained information from market participants, and such information may not have been independently verified. This Offering Circular summarises certain documents and other information, and investors should refer to them for a more complete understanding of what is discussed in those documents.

The contents of this Offering Circular have not been reviewed by any regulatory authority in any jurisdiction. Investors are advised to exercise caution in relation to the offering of the Notes. If investors are in any doubt about any of the contents of this Offering Circular, investors should obtain independent professional advice.

PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MIFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance**

Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Included as Appendix 2 to this Offering Circular are certain disclosures which should be read together with the information presented herein on the past performance of the Group’s investment strategies. Potential investors in the Notes should note that such disclosures do not include all of the information the Group customarily provides to investors when marketing its funds or strategies, at this Offering Circular is intended to present an overview for information purposes only and is not intended and does not constitute marketing of any of the Group’s funds or strategies, but such information can be made available upon request.

FORWARD-LOOKING STATEMENTS

Certain statements under “*Risk Factors*”, “*Description of the Group*” and elsewhere in this Offering Circular constitute “forward-looking statements”. Words such as “believe”, “expect”, “plan”, “anticipate”, “schedule”, “estimate” and similar words or expressions identify forward-looking statements. However, these words are not the exclusive means of identifying forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position and results of operations, business strategy, prospects, capital expenditure and investment plans of the Issuer and the plans and objectives of the Issuer’s management for its future operations (including development plans and objectives relating to the Issuer’s operations), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or performance of the Issuer to differ materially from those expressed or implied by such forward looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Offering Circular. The Issuer expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change of events, conditions or circumstances on which any such statements were based. This Offering Circular discloses, under “*Risk Factors*” and elsewhere, important factors that could cause actual results, performances or achievements of the Issuer to differ materially from the Issuer’s expectations. All subsequent written and forward-looking statements attributable to the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by such cautionary statements.

CERTAIN TERMS AND CONVENTIONS

Except as otherwise indicated or required by context, all references in this Offering Circular to (i) the “Issuer” are to such party acting through its General Partner, except where the context otherwise requires and (ii) “Group” are to the Issuer and its consolidated subsidiaries.

Unless otherwise specified or the context otherwise requires, references to “Hong Kong” are to the Hong Kong Special Administrative Region of the PRC, “PRC” are to the People’s Republic of China (excluding, for the purposes of this Offering Circular only, Hong Kong, Macau and Taiwan), “U.S.” or “United States” are to the United States of America, “S\$” and “Singapore dollars” are to Singapore dollars, the official currency of the Republic of Singapore. “Hong Kong dollars”, “HK dollars” or “HK\$” are to the lawful currency of Hong Kong, “Renminbi” or “RMB” are to the lawful currency of the PRC and “U.S. dollars” or “U.S.\$” are to the lawful currency of the United States.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items, and actual numbers may differ from those contained herein due to rounding.

PRESENTATION OF FINANCIAL INFORMATION

The Issuer’s audited consolidated financial statements for the years ended 31 December 2017 and 31 December 2018 included in this Offering Circular have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). See “*Index to Financial Statements*”.

Under GAAP, PineBridge’s consolidated financial statements include certain Pinebridge investment funds, which include private equity funds and collective investment trusts (collectively, the “**Consolidated Investment Funds**”) and certain collateralised loan obligation vehicles (“**Consolidated CLO Vehicles**”, and together with Consolidated Investment Funds, the “**Consolidated Funds**”) that require consolidation under GAAP.

As such, PineBridge’s consolidated financial statements include three broad groups of entities: 1) all its wholly owned or majority owned subsidiaries, 2) Consolidated CLO Vehicles and 3) Consolidated Investment Funds. For further details, please refer to the subsection of note 2 of the consolidated financial statements of PineBridge for the year ending 31 December 2018 entitled “*Summary of significant accounting policies - Principles of Consolidation*” and note 7 of the consolidated financial statements of PineBridge for the year ending 31 December 2018 entitled “*Consolidated Funds and Variable Interest Entities*”. Investors should note that PineBridge’s Consolidated Statements of Financial Condition includes the gross assets and liabilities of the Consolidated Funds, and income from the Consolidated Funds (comprising net gains and losses from the Consolidated Funds’ investments including interest and dividends and other income from Consolidated CLO Vehicles less administrative expenses, professional fees and other expenses of the Consolidated Funds) are also separately disclosed in the Consolidated Statements of Operations.

This Offering Circular also contains unaudited and unreviewed financial information of the Group as at and for the years ended 31 December 2017 and 31 December 2018, which are included in the notes to the Issuer’s audited consolidated financial statements for the year ended 31 December 2018 under the section titled “Notes to the Consolidated Financial Statements – Unaudited supplemental consolidating statements of financial condition and consolidating statements of operations”. As the unaudited and unreviewed financial information of the Group as at and for the years ended 31 December 2017 and 31 December 2018 have not been audited by a certified public accountant, it should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. None of the Joint Lead Managers or its affiliates,

directors, officers, agents, representatives or advisers makes any representation or warranty, express or implied, regarding the accuracy or sufficiency of such financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Group's financial condition and results of operations. Please refer to the risk factor entitled "*Risk Factors – Risks Relating to Financial Information – The Group's financial information as set out in the section titled "Notes to the Consolidated Financial Statements – Unaudited supplemental consolidating statements of financial condition and consolidating statements of operations" of the Issuer's audited consolidated financial statements for the year ended 31 December 2018 included in this Offering Circular is unaudited and unreviewed.*".

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DEFINITIONS

AIG	American International Group, Inc.
AUM	Assets under management.
Bloomberg	Bloomberg L.P.
Clearing Systems	Euroclear and Clearstream, Luxembourg.
Clearstream, Luxembourg	Clearstream Banking, S.A.
CLO	Collateralised loan obligations.
Consolidated CLO Vehicles	Under GAAP, PineBridge's consolidated financial statements include certain collateralised loan obligation vehicles
Consolidated Funds	Consolidated Investment Funds and Consolidated CLO Vehicles.
Consolidated Investment Funds	Under GAAP, PineBridge's consolidated financial statements include certain Pinebridge investment funds, which include private equity funds and collective investment trusts.
Commission's Proposal	A proposal published by the European Commission on 14 February 2013 for a Directive for a common financial transactions tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia.
ELP Law	The Exempted Limited Partnership Law (as amended) of the Cayman Islands
EMEA	Europe, the Middle East and Africa
ESG	Environmental, social and corporate governance.
ETF	Exchange traded fund
Euroclear	Euroclear Bank SA/NV.
Financial Instruments and Exchange Act	The Financial Instruments and Exchange Act of Japan.
FSMA	The Financial Services and Markets Act 2000 of the United Kingdom.
FTT	A common financial transactions tax proposed by the European Commission on 14 February 2013.
GAAP	Generally accepted accounting principles in the United States of America.
General Data Protection Regulation	The General Data Protection Regulation 2016/679 is a regulation in EU law on data protection and privacy for all individual citizens of the European Union and the European Economic Area. It also addresses the transfer of personal data outside the EU and EEA areas.
General Partner	Bridge Holdings Company Limited, general partner of the Issuer.
GRC	Global Risk Committee of the Issuer.

HTPB	Huatai-PineBridge Fund Management Co Limited
Huatai	Huatai Securities Company Limited
Issuer	PineBridge Investments, L.P.
IT	Information technology
Limited Partnership Agreement	The Ninth Amended and Restated Exempted Limited Partnership Agreement dated 17 March 2017 (as amended).
MAS	The Monetary Authority of Singapore.
Participating Member States	For purposes of the Commission’s Proposal, Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia.
PCG	Pacific Century Group
PineBridge	PineBridge Investments, L.P.
PRI	Principles for Responsible Investment, a framework developed under the auspices of the United Nations.
Regulation S	Regulation S under the Securities Act.
Securities Act	U.S. Securities Act of 1933.
SFA	The Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time.
SFO	The Securities and Futures Ordinance (Cap. 571) of Hong Kong.
TMT	Technology, media and telecommunications.

SUMMARY

PineBridge is a private global investment and asset management firm focused on active, high conviction investing for sophisticated clients. It offers a range of strategies spanning developed and emerging markets, as well as traditional and alternative asset classes. The Group draws on the investment experience and local expertise of its global network of approximately 200 investment professionals across 21 offices around the world. As a global firm, the Group has over 60 years of experience in emerging and developed markets and managed U.S.\$97.2¹ billion of assets as at 30 June 2019. Unlike most global asset managers, approximately half of its assets under management (“AUM”) is sourced from Asia Pacific, which is reflective of its strong presence within the region.

The Group’s business and investment capabilities can be broadly divided into four categories: fixed income, equities, multi-asset and alternatives. The Group offers these investment capabilities to a diverse mix of institutional, intermediary and retail clients, including official institutions, public and corporate pension funds, insurance companies, banks, registered investment companies, charitable organisations, private banks, wealth managers and high net-worth individuals.

The Group’s revenue primarily consists of investment advisory and performance fees. The Group charges fees based on its investment management and advisory services provided to its clients, and also earns certain performance fees accrued from managing its clients’ accounts. From time to time, the Group also makes proprietary investments that are complementary to its investment capabilities but this does not constitute a business objective of the Group.

The Group has developed specialised strategies specific to each of its investment capabilities and tailors its advisory services in accordance with a particular client’s objective. As at 30 June 2019, 86 per cent. of the Group’s marketable strategies² exceeded their benchmark over the last five years, and average active share across seven of its fundamentally-driven equity composites is 85 per cent. over the five-year period ended 30 June 2019.

The Group is part of Pacific Century Group (“PCG”), a private investment group with a strong track record of successful investing and a sustainable network in Asia, which is in turn wholly owned by Mr. Richard Li Tzar Kai. Established in 1993, PCG has investments across three core business pillars: technology, media and telecommunications (“TMT”), financial services and property. Since PCG’s purchase of the Group in 2010, the Group has been one of the five core companies of PCG’s portfolio and is the only asset manager within its portfolio. PCG is not actively involved in the Group’s day-to-day management but provides support to the Group via a strong network of relationships particularly across Asia.

Richard Li owns a majority of the limited partnership interests in PineBridge and controls the general partner, Bridge Holdings.

¹ As of 30 June 2019. As presented throughout the Offering Circular, references to the Group’s total AUM (and corresponding asset class AUM) includes U.S.\$16.8 billion of assets (U.S.\$10.0 billion in fixed income and U.S.\$6.7 billion in equities) managed by joint ventures or other entities not wholly owned by PineBridge.

² Refers to the percentage of the Group’s 33 strategies (excluding alternatives) that have a marketable composite and excludes custom or client-specific mandates.

SUMMARY FINANCIAL AND OTHER INFORMATION

The summary financial information for the Issuer set forth below has been extracted from the Issuer's audited consolidated financial statements for the years ended 31 December 2017 and 31 December 2018, which are included elsewhere in this Offering Circular. These results should be read in conjunction with the audited consolidated financial statements and the notes thereto.

Under GAAP, PineBridge's consolidated financial statements include certain Pinebridge investment funds, which include private equity funds and collective investment trusts (collectively, the "**Consolidated Investment Funds**") and certain collateralised loan obligation vehicles ("**Consolidated CLO Vehicles**", and together with Consolidated Investment Funds, the "**Consolidated Funds**") that require consolidation under GAAP.

As such, PineBridge's consolidated financial statements include three broad groups of entities: 1) all its wholly owned or majority owned subsidiaries, 2) Consolidated CLO Vehicles and 3) Consolidated Investment Funds. For further details, please refer to the subsection of note 2 of the consolidated financial statements of PineBridge for the year ending 31 December 2018 entitled "Summary of significant accounting policies - Principles of Consolidation" and note 7 of the consolidated financial statements of PineBridge for the year ending 31 December 2018 entitled "Consolidated Funds and Variable Interest Entities". Investors should note that PineBridge's Consolidated Statements of Financial Condition includes the gross assets and liabilities of the Consolidated Funds, and income from the Consolidated Funds (comprising net gains and losses from the Consolidated Funds' investments including interest and dividends and other income from Consolidated CLO Vehicles less administrative expenses, professional fees and other expenses of the Consolidated Funds) are also separately disclosed in the Consolidated Statements of Operations.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	December 31,	
	2018	2017
	(audited)	(audited)
	(U.S.\$'000)	
Assets		
Cash and cash equivalents.....	\$115,103	\$92,238
Investments	303,773	351,020
Assets of Consolidated Funds		
Cash and cash equivalents	220,491	433,864
Investments, at fair value	4,333,432	3,589,130
Receivables and other assets.....	45,485	50,525
Receivables, net		
Fees receivable, net.....	51,305	61,770
Other receivables	10,515	23,214
Due from affiliate.....	30,000	-
Furniture, fixtures and leasehold improvements, net	16,387	20,249
Intangible assets, net	36,309	45,846

	December 31,	
	2018	2017
	(audited)	(audited)
	<i>(U.S.\$'000)</i>	
Prepaid expenses and other assets	18,315	24,524
Deferred tax assets	3,123	2,967
Total Assets	\$5,184,238	\$4,695,347
Liabilities and Partners' Capital		
Liabilities		
Loans payable	\$370,150	\$265,916
Loans under repurchase agreements	70,252	44,348
Liabilities of Consolidated Funds		
Notes and loans payable, at fair value	4,141,536	3,443,451
Other liabilities	196,957	428,785
Accrued compensation and benefits.....	131,320	157,148
Accrued expenses and other payables	31,929	36,068
Other liabilities.....	19,054	30,095
Deferred tax liabilities.....	1,363	1,850
Total Liabilities	4,962,561	4,407,661
Commitments and Contingencies		
Partners' Capital		
Partners' capital.....	157,067	211,895
Accumulated other comprehensive income	6,057	8,033
Non-controlling interests in Consolidated Funds.....	43,148	47,554
Non-controlling interests in PineBridge.....	15,405	20,204
Total Partners' Capital.....	221,677	287,686
Total Liabilities and Partners' Capital	\$5,184,238	\$4,695,347

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,	
	2018	2017
	(audited)	(audited)
	<i>(U.S.\$'000)</i>	
Revenues:		
Investment advisory fees.....	\$284,672	\$290,046
Performance fees.....	(7,061)	18,650

	Year ended December 31,	
	2018	2017
	(audited)	(audited)
	<i>(U.S.\$'000)</i>	
Other revenues	3,324	2,353
Total Revenues	<u>280,935</u>	<u>311,049</u>
Operating Expenses:		
Compensation and benefits	210,907	220,751
Rent and occupancy	14,029	13,439
Depreciation and amortization	17,143	18,796
Professional fees	12,135	11,685
Distribution, placement, and brokerage fees	42,808	46,541
Sub-advisory fees	11,303	14,360
Information technology and services	23,691	22,916
General, administrative and other	36,055	36,257
Restructuring charges	-	125
Total Operating Expenses	<u>368,071</u>	<u>384,870</u>
Other Income:		
Income from Consolidated Funds		
Net gains from investment activities	11,943	43,361
Other income	4,312	3,462
Other expenses.....	(18,418)	(17,921)
Interest income.....	2,356	2,538
Interest expense.....	(18,573)	(12,176)
Income (loss) from investments	12,215	53,253
Foreign exchange and other income (loss).....	(4,196)	6,945
Total Other Income (Loss)	<u>(10,361)</u>	<u>79,462</u>
Income (Loss) Before Income Tax Provision.....	(97,497)	5,641
Income tax provision (benefit)	5,723	4,246
Net Income (Loss).....	<u>(103,220)</u>	<u>1,395</u>
Less - Net income (loss) attributable to non-controlling interests in Consolidated Funds.....	(2,752)	5,485
Less - Net income attributable to non-controlling interests in PineBridge ...	2,584	3,911
Net (Loss) Attributable to PineBridge.....	<u><u>\$(103,052)</u></u>	<u><u>\$(8,001)</u></u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year ended December 31,	
	2018 (audited)	2017 (audited)
	<i>(U.S.\$ '000)</i>	
Net Income (Loss)	\$(103,220)	\$1,395
Other comprehensive income (loss):		
Foreign currency translation adjustment.....	(1,976)	755
Unrealized gains (losses) on available for sale investment securities, net of tax.....	-	-
Total other comprehensive income (loss).....	(1,976)	755
Comprehensive Income (Loss)	(105,196)	2,150
Less: Comprehensive income attributable to non-controlling interests in Consolidated Funds.....	(2,752)	5,485
Less: Comprehensive income (loss) attributable to non-controlling interests in PineBridge	2,584	3,911
Comprehensive (Loss) Attributable to PineBridge.....	\$(105,028)	\$(7,246)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2018 (audited)	2017 (audited)
	<i>(U.S.\$ '000)</i>	
Cash Flows from Operating Activities		
Net (loss) income	\$(103,220)	\$1,395
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Consolidated Funds related:		
Net losses (gains) on investments	16,526	6,980
Income received in-kind	(3,865)	(3,897)
Amortization of discount on corporate loans.....	(3,231)	(41,098)
Total net realized and unrealized (gains) losses.....	9,430	(38,015)
Net investments transferred out due to changes in fund consolidations	-	322,361
Depreciation and amortization.....	17,143	18,796
Equity-based compensation.....	14,454	5,445
Income from investments	(12,215)	(53,253)

	Year ended December 31,	
	2018	2017
	(audited)	(audited)
	<i>(U.S.\$'000)</i>	
Change in unrealized carried interest.....	60,909	7,774
Change in deferred taxes	(643)	(175)
Foreign exchange and other unrealized (income) loss.....	4,196	(6,945)
Cash flows due to changes in operating assets and liabilities:		
Fees receivable, net.....	8,729	8,782
Other receivables	12,976	3,089
Prepaid expenses and other assets	6,209	(15,660)
Accrued compensation and benefits	(25,828)	5,926
Accrued expenses and other payables	(4,139)	(2,097)
Due to affiliates	-	(818)
Other liabilities	(11,041)	324,049
Consolidated Funds related:		
Investments purchased.....	(4,041,820)	(3,504,703)
Cash proceeds from sales of investments and pay downs of corporate loans.....	3,046,240	2,586,364
Other liabilities	(231,828)	-
Receivables and other assets.....	5,040	-
Net cash (used in) provided by operating activities	(1,245,408)	(337,685)
Cash Flows From Investing Activities		
Investment transactions, net	785	(3)
Purchases of furniture, fixtures and leasehold improvements	(3,327)	(3,278)
Net cash (used in) provided by investing activities	(2,542)	(3,281)
Cash Flows From Financing Activities		
Proceeds from loan payable and notes payable in Consolidated CLO Vehicles	2,751,087	971,697
Proceeds from loan payable.....	104,234	29,916
Proceeds from loans under repurchase agreements	25,904	33,242
Repayment of loan due to affiliates	-	-
Capital distributions.....	-	(651)
Capital contributions.....	-	30,000
Repayments of notes payable in Consolidated CLO Vehicles	(1,816,844)	(381,594)
Distributions/redemptions paid to non-controlling interests in Consolidated Funds	(4,004)	(22,338)

	Year ended December 31,	
	2018	2017
	(audited)	(audited)
	<i>(U.S.\$'000)</i>	
Contributions from non-controlling interest holders in Consolidated Funds	2,350	2,594
Distributions to the non-controlling interest holders in PineBridge	(7,383)	(4,649)
Contributions from non-controlling interest holders in PineBridge	-	1,556
Net cash provided by financing activities	<u>1,055,344</u>	<u>659,773</u>
Effect of foreign currency exchange rate changes on cash	2,098	6,355
Net (Decrease) Increase in Cash and Cash Equivalents	(190,508)	325,162
Cash and cash equivalents, beginning of the period.....	526,102	200,940
Cash and cash equivalents, end of the period.....	<u>\$335,594</u>	<u>\$526,102</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for:		
Interest	\$158,964	\$133,807
Income taxes	<u>\$5,241</u>	<u>\$3,520</u>
Supplemental Disclosure of Non-Cash Operating Activities		
Equity based compensation for Fully Paid Units	<u>\$2,818</u>	<u>\$2,756</u>
Supplemental Disclosure of Non-Cash Investing Activities		
Retirements of furnitures, fixtures and leasehold improvements	<u>\$235</u>	<u>\$1,336</u>

SELECTED OTHER FINANCIAL DATA

Unaudited Consolidating Statement of Operations

	Year ended December 31, 2018				
	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and Eliminations	Total
	<i>(U.S.\$'000)</i>				
Revenues					
Investment advisory fees	301,897	-	-	(17,225)	284,672
Performance fees	(7,554)	-	-	493	(7,061)
Other revenues.....	3,324	-	-	-	3,324
Total Revenues	<u>297,667</u>	<u>-</u>	<u>-</u>	<u>(16,732)</u>	<u>280,935</u>
Operating Expenses					
Compensation and benefits.....	210,907	-	-	-	210,907
Rent and occupancy.....	14,029	-	-	-	14,029
Depreciation and amortization.....	17,143	-	-	-	17,143

Year ended December 31, 2018

	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and Eliminations	Total
			(U.S.\$'000)		
Professional fees.....	12,167	-	-	(32)	12,135
Distribution, placement, and brokerage fees.....	42,808	-	-	-	42,808
Sub-advisory fees.....	11,303	16,655	570	(17,225)	11,303
Information technology and services.....	23,691	-	-	-	23,691
General, administrative and other.....	36,055	-	-	-	36,055
Total Operating Expenses.....	368,103	16,655	570	(17,257)	368,071
Other Income					
Income from Consolidated Funds					
Net gains from investment activities.....	-	30,522	(3,795)	(14,784)	11,943
Other income.....	-	4,312	-	-	4,312
Other expense.....	-	(18,179)	(239)	-	(18,418)
Interest income.....	2,356	-	-	-	2,356
Interest expense.....	(18,573)	-	-	-	(18,573)
Income (loss) from investments.....	(3,896)	-	-	16,111	12,215
Foreign exchange and other income (loss).....	(4,196)	-	-	-	(4,196)
Total Other Income (Loss).....	(24,309)	16,655	(4,034)	1,327	(10,361)
Income (Loss) Before Income Tax Provision.....	(94,745)	-	(4,604)	1,852	(97,497)
Income tax provision.....	5,723	-	-	-	5,723
Net Income (Loss).....	(100,468)	-	(4,604)	1,852	(103,220)
Less—Net income attributable to non-controlling interests in Consolidated Funds.....	-	-	(2,752)	-	(2,752)
Less—Net income (loss) attributable to non-controlling interests in PineBridge.....	2,584	-	-	-	2,584
Net (Loss) Attributable to PineBridge.....	(103,052)	-	(1,852)	1,852	(103,052)

Source: Notes to the consolidated financial statements

Year ended December 31, 2017

	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and Eliminations	Total
			(U.S.\$'000)		
Revenues					
Investment advisory fees.....	302,936	-	-	(12,890)	290,046
Performance fees.....	19,094	-	-	(444)	18,650
Other revenues.....	2,353	-	-	-	2,353
Total Revenues.....	324,383	-	-	(13,334)	311,049
Operating Expenses					

Year ended December 31, 2017

	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and Eliminations	Total
			(U.S.\$'000)		
Compensation and benefits.....	220,751	-	-	-	220,751
Rent and occupancy.....	13,439	-	-	-	13,439
Depreciation and amortization.....	18,796	-	-	-	18,796
Professional fees.....	11,717	-	-	(32)	11,685
Distribution, placement, and brokerage fees.....	46,541	-	-	-	46,541
Sub-advisory fees.....	14,360	12,184	706	(12,890)	14,360
Information technology and services.....	22,916	-	-	-	22,916
General, administrative and other.....	36,257	-	-	-	36,257
Restructuring charges.....	125	-	-	-	125
Total Operating Expenses.....	<u>384,902</u>	<u>12,184</u>	<u>706</u>	<u>(12,922)</u>	<u>384,870</u>
Other Income					
Income from Consolidated Funds					
Net gains from investment activities.....	-	26,306	10,683	6,372	43,361
Other income.....	-	3,453	9	-	3,462
Other expense.....	-	(17,575)	(346)	-	(17,921)
Interest income.....	2,538	-	-	-	2,538
Interest expense.....	(12,176)	-	-	-	(12,176)
Income (loss) from investments.....	63,368	-	-	(10,115)	53,253
Foreign exchange and other income (loss).....	6,945	-	-	-	6,945
Total Other Income (Loss).....	<u>60,675</u>	<u>12,184</u>	<u>10,346</u>	<u>(3,743)</u>	<u>79,462</u>
Income (Loss) Before Income Tax Provision.....	<u>156</u>	<u>-</u>	<u>9,640</u>	<u>(4,155)</u>	<u>5,641</u>
Income tax provision.....	4,246	-	-	-	4,246
Net Income (Loss).....	<u>(4,090)</u>	<u>-</u>	<u>9,640</u>	<u>(4,155)</u>	<u>1,395</u>
Less—Net income attributable to non-controlling interests in Consolidated Funds.....	-	-	5,485	-	5,485
Less—Net income (loss) attributable to non-controlling interests in PineBridge.....	3,911	-	-	-	3,911
Net (Loss) Attributable to PineBridge.....	<u>(8,001)</u>	<u>-</u>	<u>4,155</u>	<u>(4,155)</u>	<u>(8,001)</u>

Source: Notes to the consolidated financial statements

Unaudited Consolidating Statement of Financial Condition

December 31, 2018

	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and Eliminations	Total
			(U.S.\$'000)		
Assets					

December 31, 2018

	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and Eliminations	Total
			(U.S.\$'000)		
Cash and cash equivalents	115,103	-	-	-	115,103
Investments	517,209	-	-	(213,436)	303,773
Assets of Consolidated Funds.....					
Cash and cash equivalents	-	218,024	2,467	-	220,491
Investments, at fair value.....	-	4,271,625	61,807	-	4,333,432
Receivables and other assets.....	-	44,422	1,063	-	45,485
Receivables, net.....					
Fees receivable, net	55,463	-	-	(4,158)	51,305
Other receivables	10,688	-	-	(173)	10,515
Due from affiliates.....	30,000	-	-	-	30,000
Furniture, fixtures and leasehold improvements ..	16,387	-	-	-	16,387
Intangible assets, net.....	36,309	-	-	-	36,309
Prepaid expenses and other assets	18,315	-	-	-	18,315
Deferred tax assets.....	3,123	-	-	-	3,123
Total Assets.....	<u>802,597</u>	<u>4,534,071</u>	<u>65,337</u>	<u>(217,767)</u>	<u>5,184,238</u>
Liabilities and Partners' Capital					
Liabilities					
Loans payable.....	370,150	-	-	-	370,150
Loans under repurchase agreements	70,252	-	-	-	70,252
Liabilities of Consolidated Funds					
Notes and loans payable, at fair value	-	4,332,890	-	(191,354)	4,141,536
Other liabilities	-	201,181	107	(4,331)	196,957
Accrued compensation and benefits	131,320	-	-	-	131,320
Accrued expenses and other payables.....	31,929	-	-	-	31,929
Other liabilities	19,054	-	-	-	19,054
Deferred tax liabilities	1,363	-	-	-	1,363
Total Liabilities	<u>624,068</u>	<u>4,534,071</u>	<u>107</u>	<u>(195,685)</u>	<u>4,962,561</u>
Partners' Capital					
Partners' capital.....	157,067	-	22,082	(22,082)	157,067
Accumulated other comprehensive income	6,057	-	-	-	6,057
Non-controlling interests in Consolidated Funds ..	-	-	43,148	-	43,148
Non-controlling interests in PineBridge	15,405	-	-	-	15,405
Total Partners' Capital.....	<u>178,529</u>	<u>-</u>	<u>65,230</u>	<u>(22,082)</u>	<u>221,677</u>
Total Liabilities and Partners' Capital	<u>802,597</u>	<u>4,534,071</u>	<u>65,337</u>	<u>(217,767)</u>	<u>5,184,238</u>

Source: Notes to the consolidated financial statements

December 31, 2017

	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and Eliminations	Total
			(U.S.\$'000)		
Assets					
Cash and cash equivalents	92,238	-	-	-	92,238
Investments	501,877	-	-	(150,857)	351,020
Assets of Consolidated Funds.....					
Cash and cash equivalents	-	431,111	2,753	-	433,864
Investments, at fair value.....	-	3,520,833	68,297	-	3,589,130
Receivables and other assets.....	-	49,350	1,175	-	50,525
Receivables, net.....					
Fees receivable, net	64,192	-	-	(2,422)	61,770
Other receivables.....	23,664	-	-	(450)	23,214
Furniture, fixtures and leasehold improvements ..	20,249	-	-	-	20,249
Intangible assets, net.....	45,846	-	-	-	45,846
Prepaid expenses and other assets	24,524	-	-	-	24,524
Deferred tax assets.....	2,967	-	-	-	2,967
Total Assets.....	<u>775,557</u>	<u>4,001,294</u>	<u>72,225</u>	<u>(153,729)</u>	<u>4,695,347</u>
Liabilities and Partners' Capital					
Liabilities					
Loans payable.....					
Loans under repurchase agreements	265,916	-	-	-	265,916
Liabilities of Consolidated Funds	44,348	-	-	-	44,348
Notes and loans payable, at fair value	-	3,570,193	-	(126,742)	3,443,451
Other liabilities.....	-	431,101	454	(2,770)	428,785
Accrued compensation and benefits	157,148	-	-	-	157,148
Accrued expenses and other payables.....	36,068	-	-	-	36,068
Other liabilities.....	30,095	-	-	-	30,095
Deferred tax liabilities	1,850	-	-	-	1,850
Total Liabilities	<u>535,425</u>	<u>4,001,294</u>	<u>454</u>	<u>(129,512)</u>	<u>4,407,661</u>
Partners' Capital					
Partners' capital.....	211,895	-	24,217	(24,217)	211,895
Accumulated other comprehensive income	8,033	-	-	-	8,033
Non-controlling interests in Consolidated Funds.	-	-	47,554	-	47,554
Non-controlling interests in PineBridge	20,204	-	-	-	20,204
Total Partners' Capital.....	<u>240,132</u>	<u>-</u>	<u>71,771</u>	<u>(24,217)</u>	<u>287,686</u>
Total Liabilities and Partners' Capital	<u>775,557</u>	<u>4,001,294</u>	<u>72,225</u>	<u>(153,729)</u>	<u>4,695,347</u>

Source: Notes to the consolidated financial statements

THE OFFERING

The following is a brief summary of the terms of the offering of the Notes. For a more complete description of the terms of the Notes, see "Terms and Conditions of the Notes" in this Offering Circular. Terms used but not defined herein have the meanings set forth in "Terms and Conditions of the Notes".

Issuer	PineBridge Investments, L.P., acting through its general partner, Bridge Holdings Company Limited
Notes Offered	U.S.\$250,000,000 6.00 per cent. Notes due 2024.
Issue Price	100 per cent. of the principal amount.
Issue Date	12 September 2019.
Maturity Date	12 September 2024.
Interest Payment Dates	12 March and 12 September in each year, commencing on 12 March 2020.
Interest	The Notes will bear interest from, and including, the Issue Date at the rate of 6.00 per cent. per annum, until the Maturity Date, payable semi-annually in arrear on 12 March and 12 September in each year.
Status of the Notes	The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer that will at all times rank <i>pari passu</i> without any preference or priority among themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Negative Pledge	The Notes will contain a negative pledge provision as further described in Condition 3 of the Terms and Conditions of the Notes.
Events of Default	Upon the occurrence of certain events as described in Condition 8 (<i>Events of Default</i>) of the Terms and Conditions of the Notes, upon notice in writing addressed to the Issuer and delivered to the Issuer or to the Specified Office (as defined in the Agency Agreement referred to in the Terms and Conditions of the Notes) of the Fiscal Agent, any Noteholder may declare its Notes immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.
Offering	The Notes are being offered only outside the United States in reliance on Regulation S. The Notes have not been registered and will not be registered under the Securities Act and, subject to certain exemptions, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons.

Cross-Acceleration	The Notes will contain a cross acceleration provision as further described in Condition 8(d) (<i>Cross-acceleration of Issuer or Subsidiary</i>) of the Terms and Conditions of the Notes.
Transfer Restrictions	The Notes will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and sale. See “ <i>Subscription and Sale</i> ”.
Final Redemption	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 12 September 2024.
Redemption for Tax Reasons	The Issuer may redeem the Notes in whole but not in part, at their principal amount, together with interest accrued to, but excluding the date fixed for, redemption, in the event of certain changes in the Cayman Islands taxation, as further described in Condition 5(b) (<i>Redemption for tax reasons</i>) of the Terms and Conditions of the Notes.
Redemption at the Option of the Issuer	The Issuer may redeem the Notes at any time, in whole but not in part, at their Make Whole Redemption Price (as defined in the Terms and Conditions of the Notes), together with interest accrued to the date fixed for redemption, as further described in Condition 5(d) of the Terms and Conditions of the Notes.
Redemption upon Change of Control	A Noteholder shall have the right, at such Noteholder’s option, to require the Issuer to redeem all but not some only of such Noteholder’s Notes at 101 per cent. of their principal amount together with interest accrued to, but excluding the date fixed for, redemption, following the occurrence of a Change of Control, as further described in Condition 5(c) (<i>Redemption for Change of Control</i>) of the Terms and Conditions of the Notes.
Further Issues	The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.
Governing Law	The Notes, and all non-contractual obligations arising out of or in connection with them are governed by, and construed in accordance with, English law.
Form and Denomination	The Notes will be issued in registered form in the denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Clearing Systems	The Notes will be represented by beneficial interests in the Global Note Certificate in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about the Closing Date with, a common depository for Euroclear and Clearstream. Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be

effected only through, records maintained by Euroclear and Clearstream. Except as described herein, certificates for Notes will not be issued in exchange for interests in the Global Note Certificate.

ISIN

XS2049814184.

Common Code

204981418.

Legal Entity Identifier

549300KTUGYZQE1JKI75.

Listing

Approval in-principle has been received for the listing of and quotation for the Notes on the official list of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Notes to the official list of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, its subsidiaries, its associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Fiscal Agent

The Hongkong and Shanghai Banking Corporation Limited.

Paying and Transfer Agent

The Hongkong and Shanghai Banking Corporation Limited.

Registrar

The Hongkong and Shanghai Banking Corporation Limited.

Use of Proceeds

See *“Use of Proceeds”*.

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The Group's business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. Additional risks and uncertainties not presently known to the Group or which the Group currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Group, including on the ability of the Issuer to fulfil its obligations under the Notes.

The Group believes that the following factors may affect its ability to fulfil its obligations under the Notes. In addition, factors that are material for the purpose of assessing the market risks associated with the Notes are also described below. These factors are contingencies that may or may not occur, and the Group is not in a position to express a view on the likelihood of any such contingency occurring. The information below is given as of the date of this Offering Circular and will not be updated after the date hereof, and is subject to the reservations in the section headed "Forward-Looking Statements" in this Offering Circular.

RISKS RELATING TO THE GROUP'S BUSINESS

Changes in the value levels of equity, debt, commodities, foreign exchange or other asset markets may cause assets under management ("AUM") and investment advisory fees to decline.

The Group's revenue is primarily comprised of investment advisory fees, which is typically based on a fixed percentage of AUM managed for the client (in the case of fees earned from separately managed accounts or traditional funds), on committed or invested capital (in the case of private equity funds) and, in some cases, performance fees (including carried interest from private equity funds and performance fees from separate accounts and CLO Vehicles managed by the Group). Numerous factors, including price movements in the equity, debt, private securities, currency markets, or in the price of assets in which the Group itself invests, could cause:

- the value of AUM, or the returns the Group realises on AUM, to decrease;
- the rebalancing or reallocating of assets into the Group's funds that yield lower fees;
- the withdrawal of funds from the Group's sponsored fund product in favour of products offered by competitors; and/or
- a decrease in the value of seed, sponsor or general partner capital.

The occurrence of any of these events may cause the Group's AUM to decline, which, all else being equal, would result in a decline in investment advisory fees that are based on a fixed percentage of AUM.

The Group's investment advisory contracts may be terminated or may not be renewed by clients on favourable terms.

The Group derives a significant majority of its revenue (investment advisory and performance fees) from providing investment advisory services. Many of the advisory or management contracts the Group has entered into with its clients, including the agreements that govern many of its investment funds, provide investors with significant discretion to terminate such contracts, withdraw funds or liquidate funds or to remove the Group as a fund's investment advisor (or equivalent). The Group's fees under many of its advisory or management contracts may be reduced and if a number of the Group's clients terminate their contracts, or otherwise remove the Group from its advisory roles, withdraw funds or fail to renew management contracts on favourable terms, the fees or carried interest the Group earns could be reduced, which may cause the Group's AUM, revenue and earnings to decline.

The Group's inability to raise additional or successor funds (or raise successor funds of a comparable size as predecessor funds) could have a material adverse impact on its business.

A portion of the Group's funds and investment vehicles have a fixed term and a finite amount of committed capital from fund investors. Once a fund nears the end of its investment period, the Group's success depends on its ability to raise additional or successor funds (of a comparable size to predecessor funds) in order to keep making investments and, over the long term, earning stable investment advisory fees. Private equity and alternative investments could fall into disfavour as a result of concerns about liquidity and short-term performance. Institutional investors in private equity funds that have suffered from decreasing returns, liquidity pressure, increased volatility or difficulty maintaining target asset allocations may materially decrease or temporarily suspend making new investments in private equity funds, which could have a material adverse impact on the Group's business.

In addition, existing investors in the open-ended funds managed by the Group may, for various reasons, choose to reduce their position or entirely redeem their capital in such funds managed by the Group. A failure to attract replacement capital in a timely manner may result in the closure of such fund.

The performance of the Group's funds also impacts its ability to raise capital, and deterioration in the performance of its funds would result in challenges to future fundraising as this would hamper the general appeal of its investment capabilities.

The Group's ability to raise funds will also be significantly affected by prevailing macroeconomic conditions see "*Risk Factors – Global macroeconomic conditions may affect the Group's investment performance.*" The Group's fundraising may also be negatively impacted by any change in or rebalancing of fund investors' asset allocation policies. During periods of unfavourable fundraising conditions, fund investors may negotiate for lower fees, different fee sharing arrangements for transaction or other fees, and other concessions.

The number of funds raising capital varies from year to year, and in years where relatively few funds are raising capital, the growth of the Group's AUM and committed capital and associated investment advisory fees may be significantly lower. There is no assurance that fundraises for new strategies or successor funds will experience similar success as the Group's existing or predecessor funds in the future.

Further, in the event that the Group is able to obtain replacement capital, such investment terms may be negotiated at lower investment advisory or performance fee rates, which all else being equal, would result in a decline in fees or performance fees.

Poor investment performance could lead to the loss of clients and may cause AUM, revenue and earnings to decline.

The Group's management believes that investment performance, including the efficient delivery of returns, is one of the most important factors for the growth and retention of AUM. Poor investment performance relative to applicable portfolio benchmarks, target returns or competitors may cause the Group's AUM, revenue and earnings to stagnate or decline as a result of:

- client withdrawals in favour of funds or accounts managed by other investment managers demonstrating superior or differentiated returns;
- client shifts to products that charge lower fees (including passive investment strategies);
- the diminishing ability to attract additional funds from existing and new clients;
- reduced, minimal or no performance fees; or
- a decrease in investment returns on seed, sponsor or general partner capital.

Performance fees and carried interest on private equity funds may increase volatility of both revenue and earnings.

A portion of the Group's revenue is derived from performance fees payable in respect of certain of its funds including carried interest on private equity funds (see "*Description of the Group – Business – Fee model*").

Generally, the Group is entitled to a performance fee only if the agreement under which it is managing the assets provides for one and if returns on the related portfolio exceed agreed-upon periodic or cumulative return targets. If these targets are not exceeded, a performance fee for that period will not be earned and, if targets are based on cumulative returns, the Group may not earn performance fees in future periods.

In addition, the Group is typically entitled to carried interest in respect of the private equity funds which it manages. The timing and receipt of carried interest from the Group's private equity funds are unpredictable and will contribute to the volatility of its cash flows, and carried interest is typically distributed to the general partner of a private equity fund only after a number of pre-determined conditions are met. Carried interest payments from investments depend on the Group's funds' performance and opportunities for realizing gains, which may be limited. It takes a substantial period of time to identify attractive investment opportunities, to raise all the funds needed to make an investment and then to realize the cash value of an investment through a sale, public offering or other exit. To the extent an investment is not profitable, no carried interest will be received from the Group's private equity funds with respect to that investment. The timing and receipt of carried interest may also vary with the life cycle of certain of the Group's funds. In addition, the Group's unrealized carried interest is recognized on its financial statements as "unrealized gross carried interest". A subsequent failure to achieve target hurdle rates may result in a negative unrealized gross carried interest being recorded. See "*Description of the Group – Business – Fee model*".

Moreover, the volatility of the Group's future revenue and earnings will be affected if illiquid alternatives become an increasing component of the overall composition of the Group's performance fee generating assets. In particular, if the Group takes on more advisory assignments for illiquid investments, performance fees and/or carried interest will generally be recognized over substantially longer multi-year periods than those associated with more liquid products.

Changes in the value of seed and sponsor capital that the Group owns could affect its income and could increase the volatility of its earnings.

As at 31 December 2018, the Group's net economic investment exposure of approximately U.S.\$517 million in its investments primarily resulted from CLO risk retention, seed funding, general partner or sponsor capital. Movements in the private or public equity, debt markets, or in foreign currency, or the price of other alternative investments, could lower the value of these investments as well as other minority investments, increase the volatility of the Group's earnings and cause earnings to decline.

Inability to attract and retain talented professionals may adversely impact the Group's business, financial condition and results of operations.

The success of the Group's business is dependent on its ability to attract and retain key personnel who have in-depth knowledge and understanding of the investment capabilities of the Group. There is no assurance that the Group will be able to attract and retain qualified personnel or that the Group's senior management or other key personnel will not retire or otherwise leave the Group at any time.

The Group is also dependent on the sound trading, product and strategy development, risk control, regulatory, compliance, business development and investment expertise of the Group's senior management and other key employees. The competition for qualified technical, sales, compliance and managerial personnel in the asset management industry is intense, especially in developed markets such as New York City and Hong Kong. The Group's continuing success will depend on the Group's ability to retain and hire suitably qualified and

experienced management and key employees, and the loss of their service could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, a percentage of the deferred compensation that the Group pays to its employees is linked to the value of Pinebridge. As such, if the value or perceived value of Pinebridge were to decrease, the retention value of such deferred compensation would decrease. There can be no assurance that the Group will continue to be successful in its efforts to recruit and retain employees and effectively manage executive succession. If the Group is unable to offer competitive compensation or otherwise attract and retain talented individuals, or if it fails to effectively manage executive succession, the Group's ability to compete effectively and retain its existing clients may be materially impacted, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Global macroeconomic conditions may affect the Group's investment performance.

The outlook for the world economy and financial markets remains uncertain. Global financial markets have experienced, and continue to experience, uncertainty brought on by various political events such as Brexit and monetary policies among the world's major economies, which may prompt a new round of volatility in capital flows. In addition, the economic impact on the global economy due to the rising tension of the trade war between the U.S. and China is unknown. Starting in April 2018, the United States imposed tariffs on various categories of imports from China, and China responded with similarly sized tariffs on United States' products. The rhetoric surrounding the trade war continues to escalate and neither side has been willing to significantly progress stalled trade negotiations. The amicable resolution of such a trade war remains elusive, and the lasting impacts any trade war may have on the global economy remain uncertain. Any slowdown in the global economy, particularly in Asia where over half of the Group's AUM is sourced, may increase the Group's overall business risk, with increased risk of loss of AUM, decreased business development opportunities and/or create a credit tightening environment, which may cause the Group's AUM and associated investment advisory fees to decline.

In addition, unfavourable market and economic conditions may reduce opportunities for the Group's funds to make, exit and realise value from its investments. Challenging market and economic conditions may make it difficult for the Group to find suitable investments for its private equity funds or secure financing for investments of such funds on attractive terms.

"Clawback" provisions may require the Group to return or contribute amounts to its funds and fund investors.

The governing documents of certain of the Group's private equity funds generally include a "clawback" provision that, if triggered, may give rise to a contingent obligation requiring the general partner to return amounts to the relevant fund for distribution to the fund investors at the end of the life of the fund (see "*Description of the Group – Business – Fee model*"). Under a clawback obligation, upon the liquidation of a fund, the general partner is required to return previously distributed carry to the extent that, due to the diminished performance of later investments, the aggregate amount of carry distributions received by the general partner during the term of the fund exceed the amount to which the general partner was ultimately entitled, including the effects of any performance thresholds.

The Group would continue to be subject to the clawback obligation even if carry has been distributed to current or former employees or other personnel through its carry pool. See Note 15 – Contingent Obligations (Clawback) to the audited consolidated financial statements of PineBridge for further details in relation to when the Group is subject to the clawback provisions.

Operational risks and data security breaches may disrupt the Group's businesses, result in losses or limit its growth.

The Group relies heavily on its financial, accounting and other data processing systems and on the systems of outsourced third party providers. If these systems do not operate properly or are disabled, the Group could suffer financial loss, a disruption of its businesses, liability to its funds, regulatory intervention or reputational damage. In addition, the Group operates in businesses that are highly dependent on information systems and technology. While most of the Group's back office functions are outsourced (such as trade settlement, transaction recording and reconciliation), the Group nonetheless faces operational and reputational risk from errors committed by its outsourced third party providers. In addition, the Group's infrastructure, including its technological capacity and office space, is vital to the competitiveness of its business. The failure to maintain an infrastructure commensurate with the size and scope of the Group's business, as well as any human error (resulting from the Group's employees) or system failure of the Group's internally managed hardware and/or software could result in severe disruptions of the Group's business. While the Group believes that it has a robust operating and technology platform and systems and procedures in place and have sourced for reliable service providers, there can be no assurances that failure thereto will not occur.

In addition, while the Group has business continuation and disaster recovery programs in place, such programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse the Group for its losses, if at all.

The Group's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Group faces various security threats on a regular basis, including ongoing cyber-security threats to and attacks on its information technology infrastructure that are intended to gain access to its proprietary information, destroy data or disable, degrade or sabotage its systems. Cyber-security has become a top priority for regulators around the world. Many jurisdictions in which the Group operates have laws and regulations relating to data privacy, cyber-security and protection of personal information, including the General Data Protection Regulation in the European Union that became effective in May 2018. Some jurisdictions have also enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data.

Any operational issues or data security breaches could impair the quality of the Group and the Group's funds' operations and could impact its reputation and materially and adversely affect the Group's businesses and limit its ability to grow.

The Group's decision to provide support to particular products from time to time may result in losses for the Group.

While it does not constitute a core part of the Group's business model, the Group may in certain circumstance be required to, or may at its option, from time to time support investment products through capital or credit support for commercial or other reasons. For certain products, such as European collateralised loan obligations ("CLOs") and private equity investments, a capital investment by the sponsor is required or commonplace based on prevailing market practice. Changes in the fair value of CLOs are reflected in PineBridge's audited consolidated financial statements and such support may utilise capital and liquidity that would otherwise be available for other corporate purposes. In addition, losses that may result from such product support, as well as regulatory restrictions on the Group's ability to provide such support or the failure to have available or devote sufficient capital or liquidity to support products, may cause AUM and revenue to decline.

The Group operates and may continue operating through strategic partnerships, including joint ventures, and are exposed to risks associated with such partnerships.

On occasion, where joint ventures are required by local regulations or for other strategic reasons, the Group may seek to expand its presence through joint ventures. The success of any such joint ventures is subject to

risks, including its inability to maintain a good relationship with current and future business partners, the reliance on the local expertise of its joint venture partner, divergent economic and commercial interests between the Group and its business partners and the potential legal, regulatory or developmental difficulties.

As at the date hereof, the Group has a joint venture in China, Huatai-PineBridge Fund Management Co Ltd (“HTPB”), which it formed in 2004 with Huatai Securities Company Limited (“Huatai”) and another joint venture partner. HTPB managed approximately U.S.\$16.8 billion of AUM as at 30 June 2019, representing a significant portion of the Group’s AUM in Asia. Huatai is one of China’s top five largest securities brokerages by AUM. See “Description of the Group – Business – Client type and region – Joint venture with Huatai” for further details.

There is a risk that the Group’s strategies or priorities in executing projects will differ from its partners, and, as a result, the Group’s interests with its partners may not be aligned with its interests. Despite the Group’s best efforts in selecting appropriate partners, its joint ventures may not be successful. In addition, it is also possible that the ownership of one of the Group’s partners in a joint venture changes, and the resulting new owners or shareholders have a different agenda affecting the business of the joint venture and the Group’s interests. Any of these risks could affect the success of current and future partnerships. If any of the foregoing were to occur, it could have a material adverse effect on the Group’s business and cause the Group’s AUM, revenue and earnings, or the value of its interest in the joint venture itself, to decline.

The Group faces the risk of a continued loss-making business.

The Group (which, for the avoidance of doubt, excludes the Consolidated Funds) recorded net losses (inclusive of income tax provisions) of U.S.\$100.5 million, U.S.\$4.1 million and U.S.\$42.0 million for the years ended 31 December 2018, 2017 and 2016, respectively. The Group, together with the Consolidated Funds, recorded net losses (inclusive of income tax provisions) of U.S.\$103.2 million and U.S.\$37.5 million for the years ended 31 December 2018 and 31 December 2016, respectively (the Group, together with the Consolidated Funds, recorded a net profit of U.S.\$1.4 million for the year ended 31 December 2017).

The Group’s future success will depend on its ability to scale up and build on its existing investment capabilities to enable its business to become profitable. However, there can be no assurance that the Group’s business will successfully achieve scale, which may have a material adverse effect on the AUM, revenue and earnings of the Group. Please also refer to the subsection of note 2 of the consolidated financial statements of the Group for the year ending 31 December 2018 entitled “Summary of significant accounting policies – Basis of Presentation” for further details on the losses relating to the operating entities of the Group.

The Group’s risk management and internal control systems may be inadequate or ineffective in identifying or mitigating the various risks to which it is exposed.

The Group has established risk management and internal control systems consisting of organisational frameworks, policies, procedures and risk management methods that the Group believes are appropriate for its business operations. However, due to the inherent limitations in the design and implementation of risk management and internal control systems, including the proactive identification and evaluation of risks, internal control variables and the communication of information, there is no assurance that such systems will be able to identify, mitigate and manage all exposures to risks.

The Group’s risk management methods have inherent limitations, as they are generally based on statistical analysis of historical data as well as the assumption that future risks will share similar characteristics with past risks. There is no assurance that such assumptions are an accurate prediction of future events. As the Group’s business continues to expand, its information technology system may not be adequate for the collection, analysis and processing of data or may not have enough capacity to handle the corresponding expansion in information. Moreover, the Group’s historical data and experience may not adequately reflect risks that may emerge from

time to time in the future. As a result, the Group's risk management methods and techniques may not be effective in alerting the Group to take timely and appropriate measures to mitigate such risks.

The Group's risk management and internal controls also depend on the proficiency of and implementation by the Group's employees. There is no assurance that such implementation will avoid human error, which may materially and adversely affect the Group's business, results of operations, and in material failures, the financial condition of the Group.

Failure to maintain adequate corporate and contingent liquidity may cause the Group's AUM, liquidity and earnings to decline, as well as harm its prospects for growth.

The Group's ability to meet anticipated cash needs depends upon a number of factors, including its creditworthiness and ability to generate operating cash flows. Failure to maintain adequate liquidity could lead to unanticipated costs and force the Group to revise existing strategic and business initiatives. The Group's access to debt markets and its ability to issue public or private debt, or secure lines of credit or commercial paper back-up lines, on reasonable terms may be limited by adverse market conditions, a reduction in its long- or short-term credit ratings, or changes in government regulations, including tax and interest rates. Failure to obtain funds and/or financing, or any adverse change to the cost of obtaining such funds and/or financing, may cause the Group's AUM, liquidity and earnings to decline, curtail its operations and limit or impede its prospects for growth.

The Group may be unable to develop new products and the development of new products may expose the Group to additional costs or operational risk.

The Group's financial performance depends, in part, on its ability to develop, market, manage and attract capital into new investment products and funds. The development and introduction of new products and funds require continued innovative efforts on the part of the Group and may require significant time and resources as well as ongoing support and investment. Substantial risk and uncertainties are associated with the introduction of new products and funds, including the implementation of new and appropriate operational controls and procedures, shifting client and market preferences, the introduction of competing products or services and compliance with regulatory requirements. A failure to successfully manage these risks may have an adverse impact on the Group's reputation or cause the Group's costs to fluctuate, which may cause its AUM and revenue to decline and have a material adverse effect on the Group's business.

Inorganic transactions may harm the Group's competitive or financial position if they are not successful.

The Group may employ a variety of organic and inorganic strategies intended to enhance earnings, increase product offerings, access new clients and expand into new geographies. Inorganic strategies may include hiring investment teams, making minority investments in or acquiring investment management businesses or other small and medium-sized companies or divisions of companies. Inorganic transactions involve a number of financial, accounting, tax, regulatory, geographical and operational challenges and uncertainties, including in some cases the assumption of pre-existing liabilities. Any failure to identify and mitigate these risks through due diligence and indemnification provisions could adversely impact the Group's reputation, may cause its AUM and revenue to decline, and may harm the Group's competitive position in the investment management industry.

The due diligence process that the Group undertakes in connection with its private equity investments may not reveal all facts that may be relevant in connection with an investment.

With respect to its private equity investments, before making an investment, the Group conducts thorough due diligence in accordance with its policies and procedures based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based

on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and, in the case of private equity investments, to prepare a framework that may be used from the date of an acquisition to drive operational achievement and ultimately, a successful exit. When conducting due diligence, the Group typically evaluates a number of important business, financial, tax, accounting, environmental, technological, regulatory and legal issues in determining whether or not to proceed with an investment.

When conducting due diligence and making an assessment regarding an investment, the Group relies on resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence process may at times be subjective with respect to newly organized companies or carve-out transactions for which only limited information is available.

The Group cannot be certain that its due diligence investigations will result in investments being successful or that the actual financial performance of an investment will not fall short of the financial projections the Group used when evaluating that investment.

Market pressure to lower the Group's investment advisory fees could reduce its profit margin.

To the extent that the Group is forced to compete on the basis of the investment advisory and performance fees that it charges its funds, the Group may not be able to maintain its current fee structure. In recent years, there has been a trend toward lower fees in some segments of the investment management industry. In order for the Group to maintain its fee structure in a competitive environment, the Group must be able to provide its clients with investment returns and service that will encourage them to invest in the funds managed by the Group. Fee reductions on existing or future business could materially and adversely affect the Group's business, results of operations, and in material failures, the financial condition of the Group.

Operating in international markets increases the Group's operational, political, regulatory and other risks.

With 21 offices across the globe as at the date of this Offering Circular, the Group faces associated operational, regulatory, reputational, political and foreign exchange rate risks, many of which are outside of the Group's control. The Group's operations in a number of major jurisdictions, including the U.S., United Kingdom and Hong Kong may also expose the Group to increased compliance risks, as well as higher compliance costs to comply with US and non-US anti-corruption, anti-money laundering and sanctions laws and regulations. The failure of the Group's systems of internal control to mitigate such risks, or of its operating infrastructure to support its global activities, could result in operational failures and regulatory fines and/or sanctions, which may cause the Group's AUM, revenue and earnings to decline.

The failure or negative performance of products offered by competitors may cause AUM in similar products offered by the Group to decline irrespective of the Group's performance.

Many competitors offer similar products to those offered by the Group and the failure or negative performance of competitors' products could lead to a loss of confidence in similar products offered by the Group, irrespective of the performance of such products of the Group. Any loss of confidence in a product type could lead to withdrawals, redemptions and liquidity issues in such products, which may cause the Group's AUM, revenue and earnings to decline.

Fluctuations in currency exchange rates may adversely affect the Group's financial condition and results of operations.

The Group is exposed to foreign currency exchange risk arising from fluctuations of exchange rates of the currencies in the jurisdictions where the Group operates. The Group does not currently hedge either its revenues or its net equity position in any of its operating subsidiaries. The Group reviews its hedging strategy from time to time and may change its hedging policy in the future. The effect of exchange rate fluctuations on local

operating results could lead to significant fluctuations in the Group's consolidated statements upon translation of the results into U.S. dollars.

The impairment or failure of third parties may cause the Group's AUM, revenue and earnings to decline.

The Group's investment management activities expose the products and accounts it manages to many different industries and counterparties, including distributors, brokers and dealers, commercial and investment banks, clearing organisations, funds and other institutional clients. Transactions with counterparties expose the products and accounts the Group manages to credit risk in the event the applicable counterparty defaults. Although the Group regularly assesses risks posed by its counterparties, such counterparties may be subject to sudden swings in the financial and credit markets that may impair their ability to perform or they may otherwise fail to meet their obligations. Any such impairment or failure could negatively impact the performance of products or accounts managed by the Group, which could lead to the loss of clients and may cause the Group's AUM, revenue and earnings to decline.

The failure of a key vendor to the Group to fulfil its obligations or a failure by the Group to maintain its relationships with key vendors could have a material adverse effect on the Group's growth, reputation or business.

The Group depends on a number of key vendors for various back and middle office, fund administration, accounting, custody, market data, market indices, transfer agent roles and other distribution and operational needs. The Group relies upon a relatively concentrated group of third party index providers to deliver services that measure the Group's adherence to clients' investment objectives. The index provider industry is characterized by large vendors and the use of long-term contracts remains the market standard. This industry structure may limit the Group's ability to renegotiate its index provider contracts on favourable terms or at all, which may expose the Group to significant costs and/or operational difficulties and impair its ability to conduct or grow its business. Moreover, for these and other vendors, while the Group performs focused diligence on the vendors in an effort to ensure they operate in accordance with expectations, to the extent any significant deficiencies are uncovered, there may be few, or no, alternative vendors available. In addition, the Group may from time to time transfer key contracts from one vendor to another. Key contract transfers may be costly and complex, and expose the Group to heightened operational risks. Any failure to mitigate such risks could result in reputational harm, as well as financial losses to the Group and potentially its clients. The failure or inability of the Group to diversify its sources for key services or the failure of any key vendor to fulfil its obligations could result in activities inconsistent with clients' investment management agreements, have an adverse financial impact on the Group's products or lead to operational and regulatory issues for the Group, which could result in reputational harm or legal liability, fines and/or sanctions.

Any disruption to the Group's distribution channels may cause the Group's AUM, revenue and earnings to decline.

From time to time, the Group relies on a number of third parties to provide distribution, portfolio administration and servicing for certain of the Group's investment management products and services through their various distribution channels. The Group's ability to maintain strong relationships with its distributors may impact the Group's future performance, and its relationships with distributors are subject to periodic renegotiation that may result in increased distribution costs and/or reductions in the amount of the Group's products and services being marketed or distributed. Moreover, new fiduciary or other regulations could lead to significant shifts in distributors' business models and more limited product offerings, potentially resulting in reduced distribution and/or marketing of certain of the Group's products and services and fee compression. If the Group is unable to distribute its products and services successfully, if it experiences an increase in distribution-related costs, or if it is unable to replace or renew existing distribution arrangements, the Group's AUM, revenue and earnings

may decline. In addition, improper activities, as well as inadequate anti-money laundering diligence conducted by third-party distributors, could create reputational and regulatory harm to the Group.

The Group may be involved in disputes, legal and other proceedings arising out of its operations from time to time and may face significant liabilities as a result.

The Group may from time to time be involved in disputes with various parties in its business, including its clients, vendors or investment counterparties. Such disputes may lead to legal or other proceedings and they may damage the Group's reputation, increase the Group's costs of operations and divert the Group's management attention from daily business operations. There is no assurance that the Group will not be so involved in any major legal or other proceedings in the future which may subject the Group to significant liabilities and may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In addition, although investors in the Group's funds do not have legal remedies against the Group or the funds which it operates solely based on their dissatisfaction with the investment performance of those funds, such investor may have remedies against the Group, the general partners of the Group's funds or its affiliates to the extent any losses result from fraud, negligence, willful misconduct or other similar misconduct. If any civil or criminal lawsuits were brought against the Group and resulted in a finding of substantial legal liability or culpability, the lawsuit could materially and adversely affect the Group's business, results of operations and financial condition.

Changes in taxation may materially and adversely affect the Group's business, financial condition and results of operations.

The Group operates in several different tax jurisdictions and faces risks associated with changes in tax law, interpretation of tax law, changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge or financial penalty.

If as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of those transactions.

Richard Li owns a majority of the limited partnership interests in PineBridge and controls the general partner and is able to exercise significant influence over the Group.

As at the date of this Offering Circular, Richard Li owns a majority of the limited partnership interests in PineBridge. Bridge Holdings Company Limited, another entity controlled by Richard Li, serves as the general partner of PineBridge pursuant to the Ninth Amended and Restated Exempted Limited Partnership Agreement dated 17 March 2017 (as amended) (the "**Limited Partnership Agreement**"). The General Partner, which is managed by its Board of Directors, oversees the business of PineBridge, subject to the provisions of the Limited Partnership Agreement. Please refer to the simplified group structure chart under the section entitled "*Description of the Group – Group structure*".

The Group is subject to extensive regulation around the world.

As the Group operates in a heavily regulated industry, its business is subject to extensive ongoing regulation (as updated, amended or supplemented from time to time), including periodic examinations, inquiries and investigations by governmental and regulatory organizations in the jurisdictions in which it operates. Many of these regulators are empowered to impose fines, suspensions of personnel and funds or other sanctions, including censure or the suspension or expulsion of applicable licenses. Any of the foregoing may damage the Group's relationships with existing fund investors, impair its ability to raise capital for successor funds, impair its ability to carry out certain investment strategies, contravene provisions concerning compliance with law in agreements to which it is a party and significantly harm the reputation of the Group and the funds which it operates.

In addition, actions by regulators against other investment managers can cause changes in business practices that could materially and adversely affect the Group's business, results of operations and financial condition. In recent years, the private equity industry has come under increased regulatory and news media scrutiny with governmental officials and regulators, including the SEC, focusing on the private equity industry's fees, allocation of expenses to funds, valuation practices, allocation of fund investment opportunities, particularly co-investment opportunities, and disclosures to fund investors.

In particular, many of the Group's legal entities may be subject to laws and regulations aimed at preventing corruption, money laundering, inappropriate employment practices, illegal payments and engaging in business activities with certain individuals, countries or groups, including but not limited to the US Foreign Corrupt Practices Act, the USA PATRIOT Act, the Bank Secrecy Act and the UK Bribery Act. The Group is also subject to certain risk retention rules and regulation, as well as regulatory capital requirements, which require the Group to maintain capital to support certain of its businesses. As at 31 December 2018, approximately U.S.\$34.8 million of the Group's capital is restricted based on such regulatory requirements. Any determination of a failure to comply with any such laws or regulations could result in fines and/or sanctions against the Group, as well as reputational harm. Moreover, to the extent that these laws and regulations become more stringent, or if the Group is required to hold increased levels of capital to support its businesses, the Group's financial performance or plans for growth may be adversely impacted.

The Group may also be adversely affected by a failure to comply with existing laws and regulations or by changes in the interpretation or enforcement of such laws and regulations, including those discussed above. Challenges associated with interpreting regulations issued in numerous countries in a globally consistent manner may add to such risks, if regulators in different jurisdictions have inconsistent views or provide only limited regulatory guidance. In particular, violation of applicable laws or regulations could result in fines and/or sanctions, temporary or permanent prohibition of certain activities, reputational harm and related client terminations, suspensions of employees or revocation of their licenses, suspension or termination of investment adviser, other registrations or other sanctions, which could have a material adverse effect on the Group's reputation or business and may cause the Group's AUM, revenue and earnings to decline.

Failure to identify errors in the computation models the Group utilises to manage its business could adversely affect product performance and client relationships.

The Group employs various computation models to support its investment processes, including those related to risk assessment, portfolio management, trading and hedging activities and product valuations. Any errors in the underlying models or model assumptions, as well as any failure of the Group's governance, approval, testing and validation standards in respect of such models or model assumptions, could have unanticipated and adverse consequences on the Group's business and reputation.

Increased competition may cause the Group's AUM and revenue to decline.

The investment management industry is highly competitive and has relatively low barriers to entry. The Group competes based on a number of factors including: investment performance, the level of fees charged, the quality and diversity of services and products provided, name recognition and reputation, and the ability to develop new investment strategies and products to meet the changing needs of investors. In addition, the introduction of new technologies, as well as regulatory changes, have altered the competitive landscape for investment managers, which may lead to additional fee compression or require the Group to spend more to modify or adapt its product offerings to attract and retain customers and remain competitive with products and services offered by other financial institutions, technology companies, trading, advisory or asset management firms. Increased competition on the basis of any of these factors, including competition leading to fee reductions on existing or new business, may cause the Group's AUM and revenue to decline.

RISKS RELATING TO THE NOTES

The Issuer is dependent upon its subsidiaries to cover operating expenses and to fulfil its obligations under the Notes.

The Group's businesses are conducted through its operating subsidiaries. As a holding company, the Issuer conducts no significant business operations, and its principal sources of funds are dividend and distribution remittances from these subsidiaries and any amounts that may be raised through the issuance of equity, debt and commercial paper. The Issuer's ability to meet its debt obligations is dependent upon the flow of funds from these subsidiaries.

There can be no assurance that the Issuer's subsidiaries will generate sufficient earnings and cash flows to upstream dividends. Any factor that prevents the payment of dividends to the Issuer by any of the businesses within the Group may have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes.

The Notes may not be a suitable investment for all investors.

A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

An active trading market for the Notes may not develop.

The Notes are a new issue of securities for which there is currently no trading market. Although approval-in-principle has been received for the listing of and quotation for the Notes on the official list of the SGX-ST, no assurance can be given that an active trading market for the Notes will develop or as to the liquidity or sustainability of any such market, the ability of holders to sell their Notes or the price at which holders will be able to sell their Notes. Liquidity of the Notes will be adversely affected if the Notes are held or allocated to limited investors. None of the Joint Lead Managers is obliged to make a market in the Notes, and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act, and as a result, holders will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

The liquidity and price of the Notes following the offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Issuer's revenue, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. There is no assurance that these developments will not occur in the future.

The value of the Notes may be adversely affected by movement in market interest rates.

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect their value.

The Issuer may be unable to redeem the Notes at the time or in the manner required.

On certain dates or upon the occurrence of certain early redemption events, the Issuer may be required to redeem some or all of the Notes. For example, under the conditions of the Notes, following the occurrence of a Change of Control (as defined in Condition 5(c) (*Redemption for Change of Control*) of the Terms and Conditions of the Notes), any Noteholder will have the right to require the Issuer to redeem all but not some of that Noteholder's Notes at 101 per cent. of the principal amount of the Notes plus accrued interest up to but excluding the redemption date. The Issuer will also be required to redeem all of the Notes at maturity of the Notes. The occurrence of an event requiring the Issuer to redeem some or all of the Notes could be outside of the control and/or knowledge of the Issuer, and if such an event were to occur, the Issuer may not have sufficient funds available and may not be able to arrange financing to redeem the Notes in time, on acceptable terms or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to redeem the Notes by the Issuer in such circumstances would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Issuer, its subsidiaries, associated companies and jointly controlled entities.

The Notes will be structurally subordinated to subsidiary debt.

The Notes will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's subsidiaries, and to all secured creditors of the Issuer. The Issuer's subsidiaries have entered into certain financing arrangements in relation to CLO equity and/or risk retention financing. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Issuer, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Issuer.

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Noteholders could be adversely affected by a change in English law or administrative practice.

The Terms and Conditions of the Notes are based on English law in effect as of the date of this Offering Circular. No assurance is given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular, and any such change could have a material adverse impact on the value of the Notes.

Noteholders may be exposed to movements in exchange rates that may adversely affect the value of their holding.

If an investor holds Notes that are not denominated in the investor's home currency, the investor will be exposed to movements in exchange rates adversely affecting the value of the investor's holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes. The Issuer will pay principal and interest on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to United States dollars would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

The insolvency laws of the Cayman Islands and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.

As the Issuer is formed as an exempted limited partnership under the laws of the Cayman Islands, any insolvency proceedings relating to the Issuer, even if brought in other jurisdictions, would likely involve Cayman Island insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

If the Issuer is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements and/or Notes that could cause repayment of the debt to be accelerated.

If the Issuer is unable to comply with its current or future debt obligations and other agreements, there could be a default under the terms of these agreements and/or the Notes. In the event of such default, the holders of the debt could terminate their commitments to lend to the Issuer, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements and/or the Notes, as the case may be.

Furthermore, some of the Issuer's debt agreements contain, and/or may in the future contain, cross-acceleration or cross-default provisions. As a result, the Issuer's default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under the Issuer's other debt agreements. If any of these events occurs, there is no assurance that the Issuer's assets and cash flows would be sufficient to repay in full all of its indebtedness, or that the Issuer would be able to find alternative financing. Even if the Issuer could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to it.

The Notes will be represented by a Global Note Certificate, and holders of a beneficial interest in a Global Note Certificate must rely on the procedures of the Clearing Systems.

The Notes will be represented by beneficial interests in a Global Note Certificate. Such Global Note Certificate will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream (the "**Clearing Systems**"). Except in the circumstances described in the Global Note Certificate, investors will not be entitled to receive individual Note certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Note Certificates. While the Notes are represented by the Global Note Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems. While the Notes are represented by the Global Note Certificate, the Issuer will discharge its payment obligations under the Notes by making payments to the relevant Clearing Systems for distribution to their account holders. A

holder of a beneficial interest in a Global Note Certificate must rely on the procedures of the Clearing Systems to receive payments under the Notes. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificate.

Holders of beneficial interests in the Global Note Certificate will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the Clearing Systems to appoint appropriate proxies.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

There is limited publicly available information about the Issuer.

The Issuer is an exempted limited partnership formed under the laws of the Cayman Islands and its limited partnership interests are not traded publicly. Therefore, there may be less publicly available information about the Issuer than if it were a publicly listed entity or formed in other jurisdictions.

Pacific Century Group is expected to subscribe for a substantial proportion of the aggregate principal amount of the Notes.

Pacific Century Group is expected to subscribe for U.S.\$100 million of the aggregate principal amount of the Notes. Any Holder of a substantial proportion of the Notes will be able to exercise considerable voting power on its own, and may be able to, amongst other things, convene meetings and prevent the passing of Extraordinary Resolutions relating to Reserved Matters (as defined in “Terms and Conditions of the Notes”).

Additionally, the existence of any such significant Holder may reduce the liquidity of the Notes in the secondary trading market. If such Holder sells a material amount of the aggregate principal amount of the Notes at any one time, it may materially and adversely affect the trading price of the Notes.

RISKS RELATING TO FINANCIAL INFORMATION

This Offering Circular contains historical financial information and historical returns of the Group as well as other information relating to fund performance contained in this Offering Circular which should not be considered as indicative of the future results of the Group’s funds.

This Offering Circular contains historical financial information of the Group for the years ended 31 December 2017 and 2018, and no financial information of the Group has been audited or reviewed since 31 December 2018. The historical financial information in particular includes certain information relating to the Group’s investment returns. Historical returns of the Group’s funds may not be indicative of the future results that investors should expect from such funds. In particular investors should review the disclaimers and endnotes set forth on pages vi to vii under “*Presentation of Financial Information*”, on page 32 under “*The Group’s financial information as set out in the section titled “Notes to the Consolidated Financial Statements – Unaudited supplemental consolidating statements of financial condition and consolidating statements of operations” of the Issuer’s audited consolidated financial statements for the year ended 31 December 2018 included in this Offering Circular is unaudited and unreviewed*” and in Appendix 2 for further details relating to information on the Group’s investment returns presented in this Offering Circular.

The Group's consolidated financial statements include other investment funds or vehicles which may not accurately reflect the Group's results of operations and financial condition.

Under GAAP, PineBridge's consolidated financial statements include certain Pinebridge investment funds, which include private equity funds and collective investment trusts (collectively, the "**Consolidated Investment Funds**") and certain collateralised loan obligation vehicles ("**Consolidated CLO Vehicles**", and together with Consolidated Investment Funds, the "**Consolidated Funds**") that require consolidation under GAAP.

As such, PineBridge's consolidated financial statements include three broad groups of entities: 1) all its wholly owned or majority owned subsidiaries, 2) Consolidated CLO Vehicles and 3) Consolidated Investment Funds. For further details, please refer to the subsection of note 2 of the consolidated financial statements of PineBridge for the year ending 31 December 2018 entitled "*Summary of significant accounting policies - Principles of Consolidation*" and note 7 of the consolidated financial statements of PineBridge for the year ending 31 December 2018 entitled "*Consolidated Funds and Variable Interest Entities*". Investors should note that PineBridge's Consolidated Statements of Financial Condition includes the gross assets and liabilities of the Consolidated Funds, while income from the Consolidated Funds (comprising net gains and losses from the Consolidated Funds' investments including interest and dividends and other income from Consolidated CLO Vehicles less administrative expenses, professional fees and other expenses of the Consolidated Funds) are also separately disclosed in the Consolidated Statements of Operations. These line items do not necessarily reflect the results of operations and the financial condition of PineBridge and its operating subsidiaries.

Alternative performance measures

This Offering Circular contains certain financial measures that are not recognised by GAAP but are derived from the information provided in the consolidated financial statements of PineBridge as at and for the years ended 31 December 2016, 2017 and 2018 which the Issuer believes provides additional useful information regarding the Group's ongoing operating and financial performance, as well as the Issuer's ability to meet its obligations under the Notes.

These measures are not recognised measures under GAAP and should not be considered in isolation or construed to be alternatives to measures pursuant to GAAP. PineBridge's method of calculating these measures may differ from the method used by other entities. Accordingly, certain of the financial performance measures presented in this Offering Circular may not be comparable to similarly titled measures used by other entities or in other jurisdictions. Consequently, these measures should not be considered substitutes for the information contained in the consolidated financial statements included in this Offering Circular.

The Group's financial information as set out in the section titled "Notes to the Consolidated Financial Statements – Unaudited supplemental consolidating statements of financial condition and consolidating statements of operations" of the Issuer's audited consolidated financial statements for the year ended 31 December 2018 included in this Offering Circular is unaudited and unreviewed.

The Group's financial information as set out in the section titled "Notes to the Consolidated Financial Statements – Unaudited supplemental consolidating statements of financial condition and consolidating statements of operations" of the Issuer's audited consolidated financial statements for the year ended 31 December 2018 which is included elsewhere in this Offering Circular is unaudited and unreviewed. Consequently, all such financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review.

TERMS AND CONDITIONS OF THE NOTES

The following other than the words in italics is the text of the terms and conditions of the Notes which will appear on the reverse of each of the definitive certificates evidencing the Notes.

The U.S.\$250,000,000 6.00 per cent. Notes due 2024 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of PineBridge Investments, L.P. (the "**Issuer**") are constituted by a deed of covenant dated 12 September 2019 (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer (acting by its general partner, Bridge Holdings Company Limited (the "**General Partner**")) and are the subject of a fiscal agency agreement dated 12 September 2019 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Hongkong and Shanghai Banking Corporation Limited as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), The Hongkong and Shanghai Banking Corporation Limited as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), the transfer agent named therein (the "**Transfer Agent**", which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). References herein to the "**Agents**" are to the Registrar, the Fiscal Agent, the Transfer Agent and the Paying Agents and any reference to an "**Agent**" is to any one of them. Certain provisions of these terms and conditions (the "**Terms and Conditions**") are summaries of the Agency Agreement and the Deed of Covenant and subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders with prior written notice during normal business hours at the principal office for the time being of the Fiscal Agent, being at the date hereof 30th Floor, HSBC Building, 1 Queen's Road Central, Hong Kong and at the Specified Offices (as defined in the Agency Agreement) of each of the Agents, the initial Specified Offices of which are set out below. References to the Issuer in these Terms and Conditions shall be deemed to be references to PineBridge Investments, L.P. acting through the General Partner, except where the context otherwise requires.

1 Form, Denomination and Status

- (a) *Form and denomination:* The Notes are in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each, an "**Authorised Denomination**").
- (b) *Status of the Notes:* The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

2 Register, Title and Transfers

- (a) *Register:* The Registrar will maintain a register (the "**Register**") in respect of the Notes outside the United Kingdom in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly. A certificate (each, a "**Note Certificate**") will be issued to each Noteholder in respect of its

registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

Upon issue, the Notes will be represented by a Global Note Certificate registered in the name of, and deposited with, a nominee of a common depositary for Euroclear and Clearstream. The Terms and Conditions are modified by certain provisions contained in the Global Note Certificate. See "The Global Note Certificate".

- (b) *Title:* The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.
- (c) *Transfers:* Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed and signed by the Noteholder or his attorney duly authorised in writing, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor. No transfer of title to a Note will be valid unless and until entered on the Register.

Transfers of interests in the Notes evidenced by the Global Note Certificate will be effected in accordance with the rules of the relevant clearing systems.

- (d) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

Except in the limited circumstances described herein (see "The Global Note Certificate"), owners of interests in the Notes will not be entitled to receive physical delivery of Note Certificates.

- (e) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar (or as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods:* Noteholders may not require transfers of a Note to be registered:
 - (i) during the period of 15 calendar days ending on the due date for any payment of principal or interest in respect of the Notes;

- (ii) during the period of 15 calendar days ending on any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(b) (*Redemption for tax reasons*) or Condition 5(d) (*Redemption at the option of the Issuer*); and
 - (iii) after a Put Exercise Notice has been delivered in respect of the relevant Note(s) in accordance with Condition 5(c) (*Redemption for Change of Control Trigger Event*).
- (g) *Regulations concerning transfers and registration*: All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Fiscal Agent and the Registrar. A copy of the current regulations will be mailed (free of charge to the Holder and at the Issuer's expense) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

3 Undertakings

- (a) *Negative Pledge*: So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer shall not, and the Issuer shall procure that none of its Principal Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

In these Conditions:

"Consolidated Fund" means any of the Issuer's investment funds (including private equity funds and collective investment trusts) or collateralised loan obligation vehicles that require consolidation with the Group under GAAP.

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Permitted Security Interest" means (i) any Security Interest over any assets (or related documents of title) purchased by the Issuer or any Principal Subsidiary as security for all or part of the purchase price of such assets and any substitute Security Interest created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets; and (ii) any Security Interest over any assets (or related documents of title) purchased by the Issuer or any Principal Subsidiary subject to such Security Interest and any substitute Security Interest created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets, *provided, however, that* (A) any such Security shall be confined to the property or assets purchased, (B) the principal amount of the debt encumbered by such Security Interest shall not exceed the cost of the purchase or development of such assets or any improvements thereto (including any construction, repair or alteration) or thereon; and (C) any such Security Interest shall be created concurrently with or within six months following the purchase of such assets;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Subsidiary" means a Subsidiary of the Issuer:

- (i) as to which one or more of the following conditions is satisfied:
- (A) its net profit or (in the case of a Subsidiary of the Issuer which has Subsidiaries) consolidated net profit attributable to the Issuer (in each case before taxation and exceptional items) is at least 5 per cent. of the consolidated net profit of the Issuer and its Subsidiaries (before taxation and exceptional items), but in each case after deducting minority interests in Subsidiaries; or
 - (B) its net assets or (in the case of a Subsidiary of the Issuer which has Subsidiaries) consolidated net assets attributable to the Issuer (in each case after deducting minority interests in Subsidiaries) are at least 5 per cent. of the consolidated net assets (after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries; or
 - (C) its gross revenue or (in the case of a Subsidiary of the Issuer which has Subsidiaries) consolidated gross revenue attributable to the Issuer is at least 5 per cent. of the consolidated gross revenue of the Issuer and its Subsidiaries,

all as calculated by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Issuer and the then latest audited financial statements of the Issuer *provided that*: (A) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest relevant audited accounts relate, the reference to the then latest audited accounts for the purposes of the calculation above shall, until audited accounts for the financial period in which the acquisition is made are published, be deemed to be a reference to the accounts adjusted to consolidate the latest audited accounts of the Subsidiary in the accounts; (B) if, in the case of a Subsidiary of the Issuer which itself has one or more Subsidiaries, no consolidated accounts are prepared and audited, its consolidated net assets, consolidated net profits and consolidated revenue shall be determined on the basis of *pro forma* consolidated accounts of the relevant Subsidiary and its Subsidiaries prepared for this purpose by the Issuer; (C) if the accounts of a Subsidiary of the Issuer (not being a Subsidiary referred to in (A) above) are not consolidated with those of the Issuer then the

determination of whether or not the Subsidiary of the Issuer is a Principal Subsidiary shall, if the Issuer requires, be based on a *pro forma* consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts of the Issuer and its Subsidiaries; or

- (ii) to which is transferred all or substantially all of the assets of a Subsidiary of the Issuer which immediately prior to the transfer was a Principal Subsidiary, *provided that*, with effect from such transfer, the Subsidiary which so transfers its assets and undertakings shall cease to be a Principal Subsidiary (but without prejudice to paragraph (a) above) and the Subsidiary of the Issuer to which the assets are so transferred shall become a Principal Subsidiary,

and where a certificate of the auditors of the Issuer as to whether or not a Subsidiary is a Principal Subsidiary shall be conclusive and binding on all parties in the absence of manifest error;

"Relevant Indebtedness" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"SGX-ST" means the Singapore Exchange Securities Trading Limited; and

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person that is not a Consolidated Fund (the **"second Person"**) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

- (b) *Information Undertaking:* So long as any Note remains outstanding, the Issuer shall upload to its public website or, for so long as the Notes are listed on SGX-ST, to the website of the SGX-ST, to make available to the Holders its audited annual consolidated financial statements within forty five (45) days of the date on which the board of directors of the General Partner approves the financial statements for the end of the fiscal year to which they relate.

4 Interest

The Notes bear interest from 12 September 2019 (the **"Issue Date"**) at the rate of 6.00 per cent, per annum, (the **"Rate of Interest"**) payable semi-annually in arrears in equal instalments on 12 March and 12 September in each year (each, an **"Interest Payment Date"**), subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment to the relevant Noteholder under these Conditions).

The amount of interest payable on each Interest Payment Date shall be U.S.\$6,000 in respect of each Note of U.S.\$200,000 denomination and U.S.\$30 in respect of each Note of U.S.\$1,000 denomination. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting

figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Authorised Denomination of such Note divided by the Calculation Amount, where:

"**Calculation Amount**" means U.S.\$1,000; and

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30".

5 Redemption and Purchase

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Notes will be redeemed at their principal amount on 12 September 2024 (the "**Maturity Date**"), subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), the Registrar and the Fiscal Agent at their principal amount, together with interest accrued to the date fixed for redemption, if:
- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 6 September 2019; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;
- provided, however, that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent:

- (i) a certificate signed by two directors of the General Partner (acting on behalf of the Issuer) stating that the circumstances referred to in (b)(i) and (b)(ii) above prevail and setting out the details of such circumstances (a "**Certificate**"); and
- (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, provided that the Fiscal Agent may accept such certificate or opinion without further investigation or enquiry.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption for Change of Control*: Following the occurrence of a Change of Control, the Issuer shall give notice to Holders and the Fiscal Agent in accordance with Condition 14 (*Notices*) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 5(c) (*Redemption for Change of Control*), and the Holder of any Note will have the right at any time following the occurrence of a Change of Control, at such Holder's option, to require the Issuer to redeem all but not some only of that Holder's Notes on the Change of Control Put Date at 101 per cent., of its principal amount, together with accrued interest up to, but excluding the Change of Control Put Date. To exercise such right, the Holder of the relevant Note must deposit at the Specified Office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the Specified Office of any Paying Agent (a "**Put Exercise Notice**"), together with the Note Certificates evidencing the Notes to be redeemed by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 14 (*Notices*). The "**Change of Control Put Date**" shall be the 14th day after the expiry of such period of 30 days as referred to above.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes subject to the Put Exercise Notices delivered as aforesaid.

In this Condition on 5(c) (*Redemption for Change of Control*):

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person;

A "**Change of Control**" occurs when:

- (i) Mr. Richard Li or any Affiliate ceases to Control the Issuer;
- (ii) any Person or Persons, other than Mr. Richard Li or any Affiliate, acting together acquires Control of the Issuer; or
- (iii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity.

"**Control**" means the acquisition or control of more than 50 per cent, of the voting rights of the issued share capital of the Issuer (or relevant person) or the right to appoint and/or remove all or the majority of the members of the Issuer's (or relevant person's) board of directors or other governing body, whether

held or obtained directly or indirectly, and whether held or obtained by ownership of share capital, the possession of voting rights, contract or otherwise and the terms "**Controlling**" and "**Controlled**" shall have meanings correlative to the foregoing, **provided, however, that** for so long as Mr. Richard Li continues to Control, and is the only person to Control, the general partner of the Issuer, Mr. Richard Li shall be deemed to Control the Issuer.

- (d) *Redemption at the option of the Issuer*: The Issuer may, at any time, on giving not less than 15 days' nor more than 30 days' notice to the Holders, the Registrar and the Fiscal Agent (which shall be irrevocable), redeem the Notes in whole, but not in part, at their Make Whole Redemption Price, together with interest accrued but unpaid to the date fixed for redemption.

For the purpose of this Condition 5(d) (*Redemption at the option of the Issuer*):

"**business day**" means any day on which banks are open for general business (including dealings in foreign currencies) in Hong Kong and New York City;

"**Comparable Treasury Issue**" means the United States Treasury selected by the Determination Agent as having a maturity comparable to the remaining term of the Notes from the relevant date fixed for redemption to the Maturity Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to the Maturity Date;

"**Comparable Treasury Price**" means, with respect to any redemption date, the average of three, or such lesser number as is obtained by the Determination Agent, Reference Treasury Dealer Quotations for the relevant date fixed for redemption of the Notes;

"**Determination Agent**" means an independent investment bank of international repute, appointed by the Issuer (and notice thereof is given to Holders of the Notes and the Fiscal Agent by the Issuer in accordance with Condition 14 (*Notices*)) for the purposes of performing any of the functions expressed to be performed by it under these Conditions;

"**Interest Period**" means each period from, and including, the Issue Date or an Interest Payment Date to, but excluding, the immediately following Interest Payment Date or, as the case may be, the Maturity Date;

"**Make Whole Redemption Price**" means in respect of each Note, (a) the principal amount of such Note or, if this is higher (b) the amount equal to the sum of the present value of the principal amount of such Note, together with the present values of the interest payable for the relevant Interest Periods from the relevant date fixed for redemption to the Maturity Date, in each case, discounted to such redemption date on a semi-annual compounded basis at the adjusted US Treasury Rate plus 0.50 per cent., all as determined by the Determination Agent;

"**Reference Treasury Dealer**" means each of the three nationally recognised investment banking firms selected by the Determination Agent that are primary US Government securities dealers;

"**Reference Treasury Dealer Quotations**" means with respect to each Reference Treasury Dealer and any date fixed for redemption of the Notes, the average, as determined by the Determination Agent, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Determination Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time on the third business day immediately preceding such due date for redemption; and

"**U.S. Treasury Rate**" means either (a) the rate per annum equal to the yield, that represents the average for the week immediately preceding that in which the third business day prior to the relevant date fixed

for redemption falls, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities" for the maturity corresponding to the Comparable Treasury Issue *provided that* (a) if no maturity appears that is within three months before or after the Maturity Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the US Treasury Rate shall be interpolated or extrapolated from such yields on a straight-line basis, and (b) if such release (or any successor release) is not published during the week preceding that in which the third business day prior to the relevant date falls or such release (or successor release) does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the relevant date fixed for redemption, in each case calculated on the third business day immediately preceding the relevant date fixed for redemption.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Make Whole Redemption Price which may be payable under this Condition 5(d) (*Redemption at the option of the Issuer*).

- (e) *Notice of Redemption*: All Notes in respect of which any notice of redemption is given under this Condition 5 (*Redemption and Purchase*) shall be redeemed on the date specified in such notice in accordance with this Condition 5 (*Redemption and Purchase*). If there is more than one notice of redemption given in respect of any Note (which shall include any notice given by the Issuer pursuant to Condition 5(b) (*Redemption for tax reasons*), 5(d) (*Redemption at the option of the Issuer*) or any Put Exercise Notice given by a Noteholder pursuant to Condition 5(c) (*Redemption for Change of Control Trigger Event*)) the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given.
- (f) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (d) (*Redemption at the option of the Issuer*) above.
- (g) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.
- (h) *Cancellation*: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries shall be cancelled and may not be reissued or resold.

6 Payments

- (a) *Principal*: Payments of principal shall be made in U.S. dollars by on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest*: Payments of interest shall be made in U.S. dollars on, or upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to a U.S. dollar account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day. In this paragraph, "**business day**" means any day on which banks are open for general business (including dealings in foreign currencies) in New York City and Hong Kong and, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the Noteholder otherwise than by ordinary mail, at the expense of such Noteholder) to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

So long as the Notes are represented by the Global Note Certificate, each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date of payment, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

7 Taxation

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Government of the Cayman Islands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is as required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) held by a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note; or
- (ii) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in New York City by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Cayman Islands, references in these Conditions to the Cayman Islands shall be construed as references to such other jurisdiction.

The Agents shall not be responsible for paying any tax, duty, charges, withholding or other payment referred to in Condition 7 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Noteholder or any third party (i) to pay such tax, duty, charges, withholding or other payment in any jurisdiction or (ii) to provide any notice or information to the Agents that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

8 Events of Default

If any of the following events occurs and is continuing:

- (a) *Non-payment of principal*: the Issuer fails to pay principal of any Note within five business days after the due date for such payment; or
- (b) *Non-payment of interest*: the Issuer fails to pay interest on any Note within 30 days after the due date for such payment; or
- (c) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Deed of Covenant and such default remains unremedied for 60 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (d) *Cross-acceleration of Issuer or Subsidiary*:
 - (i) any Indebtedness of the Issuer, or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes due and payable prior to its stated maturity (as extended by an applicable grace period) otherwise than at the option of the Issuer, or (as the case may be) the relevant Subsidiary or (*provided that* no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or

- (iii) the Issuer or any of its Subsidiaries fails to pay when due or (as the case may be) within any applicable grace period any amount payable by it under any Guarantee of any Indebtedness, *provided that* the amount of indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds U.S.\$10,000,000 (or its equivalent in any other currency or currencies); or
- (e) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible or sought under applicable law for the payment of any amount is rendered against the Issuer or any of its Principal Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (f) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer, or any of its Principal Subsidiaries and is not discharged within 60 days; or
- (g) *Insolvency, etc.*: (i) the Issuer, or any of its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, or any of its Principal Subsidiaries or the whole or any substantial part of the undertaking, assets or revenues of the Issuer, or any of its Principal Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer, or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its material obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any material part of its indebtedness or any Guarantee of any indebtedness given by it (other than, in the case of a Principal Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent or as a result of a disposal on arm's length terms or as approved by an Extraordinary Resolution of the Noteholders), or (iv) the Issuer, or any of Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business; or
- (h) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Principal Subsidiaries (other than, in the case of a Principal Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent or as a result of a disposal on arm's length terms or as approved by an Extraordinary Resolution of the Noteholders); or
- (i) *Analogous event*: any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or
- (j) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Covenant,

then any Noteholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, declare its Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders.

The Agents need not do anything to ascertain whether any Event of Default has occurred and will not be responsible to Noteholders or any other person for any loss arising from any failure to do so, and, unless and until the Agents otherwise have notice in writing to the contrary, the Agents may assume that (i) no such event has occurred and (ii) that the Issuer is performing all of its obligations under the Agency Agreement and the Conditions.

9 Prescription

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years in the case of principal and five years in the case of interest of the appropriate Relevant Date.

10 Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11 Agents

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

None of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, each Agent shall assume that the same are being duly performed.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or fiscal agent and additional or successor paying agents and transfer agents; provided, however, that the Issuer shall at all times maintain a fiscal agent and a registrar.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

12 Meetings of Noteholders; Modification

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes, to amend the subordination provisions in the Deed of Covenant or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or

representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, (i) a resolution in writing signed by or on behalf of Noteholders of not less than 90 per cent. of the aggregate principal amount of Notes for the time being outstanding will take effect as if it were an Extraordinary Resolution, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more the Noteholders and (ii) a resolution passed by way of electronic consents through the clearing systems by or on behalf of Noteholders of not less than 75 per cent. in aggregate principal amount of Notes for the time being outstanding with the effect as if it were an Extraordinary Resolution, in each case whether or not relating to a Reserved Matter.

- (b) *Modification*: The Notes, these Conditions, the Deed of Covenant, and the Agency Agreement may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision of the Agency Agreement or the Conditions, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

13 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

14 Notices

Notices to the Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Notes are represented by the Global Note Certificate and the Global Note Certificate is held on behalf of Euroclear or Clearstream or an alternative clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream or the alternative clearing system, for communication by it to entitled account holders in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

15 Governing Law and Jurisdiction

- (a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England*: Condition 16(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 16 (*Governing law and jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in

any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

- (e) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to PineBridge Investments Europe Limited at 6th Floor Exchequer Court, 33 St Mary Axe, London, EC3A 8AA or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall appoint another/person to act as its agent. This Condition applies to Proceedings in England and/to Proceedings elsewhere.

THE GLOBAL NOTE CERTIFICATE

The Global Note Certificate contains the following provisions that apply to the Notes in respect of which it is issued while they are represented by the Global Note Certificate, some of which modify the effect of the Terms and Conditions of the Notes. Terms defined in the Terms and Conditions of the Notes have the same meaning in the paragraphs herein.

The Global Note Certificate will become exchangeable in whole, but not in part, for Individual Note Certificates if (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered Holder of the Global Note Certificate, Euroclear and/or Clearstream, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been issued and delivered by 5:00 p.m. (local time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Note Certificate; or
- (b) any of the Notes evidenced by the Global Note Certificate have become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the Holder of the Global Note Certificate on the due date for payment in accordance with the terms of the Global Note Certificate,

then, at 5:00 p.m. (local time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (local time) on such due date (in the case of (b) above) the Registrar shall in respect of each person shown in the records of Euroclear and/or Clearstream (or any other relevant clearing system) as being entitled to interest in the Notes (each an "Accountholder"), enter in the Register the name of such Accountholder as the holder of direct rights under the deed of covenant dated 12 September 2019 (the "**Deed of Covenant**") in respect of the Notes in an aggregate principal amount equal to the principal amount shown in the records of Euroclear and/or Clearstream (or any other relevant clearing system) of such Accountholder's interest in the Notes. To the extent that the Registrar makes such entries in the Register, the holder will have no further rights under the Global Note Certificate, but without prejudice to the rights that the holder or Accountholders may have under the Deed of Covenant. Under the Deed of Covenant, Accountholders will acquire directly against the Issuer, subject to their rights being entered in the Register as described above and subject as provided in the Deed of Covenant, all those rights to which they would have been entitled if, immediately before the date on which the Registrar is required to enter in the Register the rights of the Accountholders, they had been the registered holders of Notes

in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear, Clearstream or any other relevant clearing system (as the case may be).

In addition, the Global Note Certificate will contain provisions that modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Note Certificate. The following is a summary of certain of those provisions:

Payments on business days: In the case of all payments made in respect of the Global Note Certificate, “business day” means any day on which banks are open for general business (including dealings in foreign currencies) in New York City and Hong Kong.

Payment Record Date: Each payment in respect of the Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”), where “Clearing System Business Day” means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Notices: Notwithstanding Condition 14 (*Notices*), so long as the Global Note Certificate is held on behalf of Euroclear, Clearstream or any other clearing system (an “Alternative Clearing System”), notices to Holders of Notes represented by the Global Note Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream or (as the case may be) such Alternative Clearing System.

USE OF PROCEEDS

The Issuer estimates that the net proceeds from the offering of the Notes, after deducting commission to be charged by the Joint Lead Managers and other estimated expenses payable in connection with the offering of the Notes, will be approximately U.S.\$248.8 million. The net proceeds will be used in connection with the refinancing of existing indebtedness of the Group in relation to which some of the Joint Lead Managers are lenders as well as other general corporate and working capital purposes.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Issuer's consolidated capitalisation and indebtedness as of 31 December 2018 on an actual basis and as adjusted to give effect to the issue of the Notes before deducting the underwriting fees and commissions and other estimated expenses payable in connection with this offering. This table should be read in conjunction with the audited consolidated financial statements and the notes thereto appearing elsewhere in this Offering Circular.

	As of 31 December 2018	
	Actual	Adjusted
	<i>(U.S.\$ '000)</i>	
Borrowings:		
Notes and loans payable of consolidated funds, at fair value.....	4,141,536	4,141,536
Loans payable ⁽¹⁾	370,150	370,150
Loans under repurchase agreements	70,252	70,252
New borrowings	-	250,000
Total debt	4,581,938	4,831,938
Partners' Capital:		
Partners' capital	157,067	157,067
Accumulated other comprehensive income	6,057	6,057
Non-controlling interests in Consolidated Funds	43,148	43,148
Non-controlling interests in PineBridge	15,405	15,405
Total Partners' Capital	221,677	221,677
Total capitalisation ⁽²⁾	4,803,615	5,053,615

Note:

- (1) The Group has a U.S.\$300 million credit facility ("Credit Facility") available with six banks, of which each bank provided credit of U.S.\$50 million to the Group. As at 31 December 2018, the Group had outstanding borrowings of U.S.\$251 million under the Credit Facility, which would expire in February 2022. It is expected that the proceeds of the Notes will be used to repay the Credit Facility in full.
- (2) Total capitalisation represents the sum of total debt and total partners' capital.

Save as indicated above, there has been no other material change in the capitalisation and indebtedness of the Issuer since 31 December 2018.

DESCRIPTION OF THE GROUP

Overview

PineBridge is a private global investment and asset management firm focused on active, high conviction investing for sophisticated clients. It offers a range of strategies spanning developed and emerging markets, as well as traditional and alternative asset classes. The Group draws on the investment experience and local expertise of its global network of approximately 200 investment professionals across 21 offices around the world. As a global firm, the Group has over 60 years of experience in emerging and developed markets and managed U.S.\$97.2³ billion of assets as at 30 June 2019. Unlike most global asset managers, approximately half of its assets under management (“AUM”) is sourced from Asia Pacific, which is reflective of its strong presence within the region.

The Group’s business and investment capabilities can be broadly divided into four categories: fixed income, equities, multi-asset and alternatives. The Group offers these investment capabilities to a diverse mix of institutional, intermediary and retail clients, including official institutions, public and corporate pension funds, insurance companies, banks, registered investment companies, charitable organisations, private banks, wealth managers and high net-worth individuals.

The Group’s revenue primarily consists of investment advisory and performance fees. The Group charges fees based on its investment management and advisory services provided to its clients, and also earns certain performance fees accrued from managing its clients’ accounts. From time to time, the Group also makes proprietary investments that are complementary to its investment capabilities but this does not constitute a business objective of the Group.

The Group has developed specialised strategies specific to each of its investment capabilities and tailors its advisory services in accordance with a particular client’s objective. As at 30 June 2019, 86 per cent. of the Group’s marketable strategies⁴ exceeded their benchmark over the last five years, and average active share across seven of its fundamentally-driven equity composites is 85 per cent. over the five-year period ended 30 June 2019.

The Group is part of Pacific Century Group (“PCG”), a private investment group with a strong track record of successful investing and a sustainable network in Asia, which is in turn wholly owned by Mr. Richard Li Tzar Kai. Established in 1993, PCG has investments across three core business pillars: technology, media and telecommunications (“TMT”), financial services and property. Since PCG’s purchase of the Group in 2010, the Group has been one of the five core companies of PCG’s portfolio and is the only asset manager within its portfolio. PCG is not actively involved in the Group’s day-to-day management but provides support to the Group via a strong network of relationships particularly across Asia.

Richard Li owns a majority of the limited partnership interests in PineBridge and controls the general partner, Bridge Holdings.

Group structure

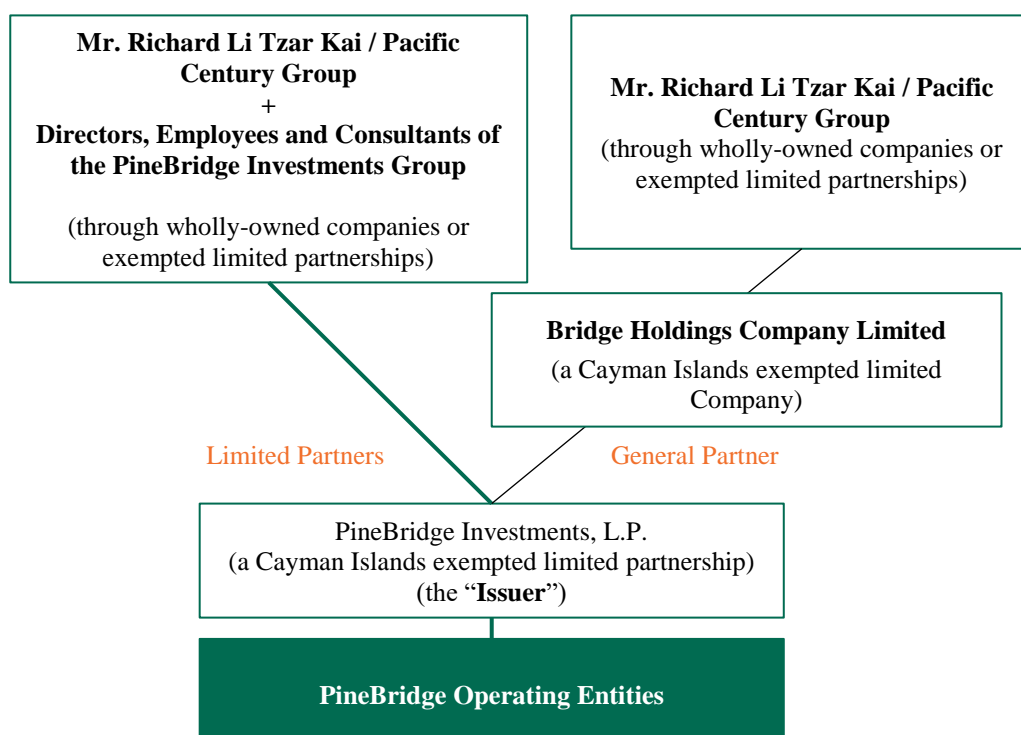
PineBridge is a Cayman Islands exempted limited partnership formed on 25 August 2009 under the Exempted Limited Partnership Law (as amended) (the “ELP Law”) and pursuant to a limited partnership agreement executed on or about the same date. Its corporate headquarters are in New York City, with regional headquarters

³ As of 30 June 2019. As presented throughout the Offering Circular, references to the Group’s total AUM (and corresponding asset class AUM) includes U.S.\$16.8 billion of assets (U.S.\$10.0 billion in fixed income and U.S.\$6.7 billion in equities) managed by joint ventures or other entities not wholly owned by PineBridge.

⁴ Refers to the percentage of the Group’s 33 strategies (excluding alternatives) that have a marketable composite and excludes custom or client-specific mandates.

in London and Hong Kong. Through various wholly or majority owned subsidiaries, the Group conducts its business via these subsidiaries as operating entities across the multiple jurisdictions it operates in.

The diagram below sets out a simplified shareholding structure chart of PineBridge:



As a Cayman Islands exempted limited partnership formed under the ELP Law, the Issuer is constituted by the signing of the relevant partnership agreement and its registration with the Registrar of Exempted Limited Partnerships in the Cayman Islands.

Notwithstanding registration, an exempted limited partnership is not a separate legal person distinct from its partners. Under Cayman Islands law, any rights or property of every description of the exempted limited partnership, including all choses in action and any right to make capital calls and receive the proceeds thereof that is conveyed to or vested in or held on behalf of any one or more of the general partners or which is conveyed into or vested in the name of the exempted limited partnership shall be held or deemed to be held by the general partner and if more than one then by the general partners jointly, upon trust as an asset of the exempted limited partnership in accordance with the terms of the partnership agreement. Similarly, any debt or obligation incurred by a general partner in the conduct of the business of an exempted limited partnership shall be a debt or obligation of the exempted limited partnership. Registration under the ELP Law entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the ELP Law.

The business of an exempted limited partnership will be conducted by its general partner(s) who will be liable for all debts and obligations of the exempted limited partnership to the extent the partnership's assets are inadequate. As a general matter, a limited partner of an exempted limited partnership will not be liable for the debts and obligations of the exempted limited partnership save (i) as expressed in the partnership agreement or as otherwise agreed, (ii) if such limited partner becomes involved in the conduct of the partnership's business and holds himself out as a general partner to third parties or (iii) if such limited partner is obliged pursuant to section 34 of the ELP Law to return a distribution made to it where the exempted limited partnership is insolvent and the limited partner has actual knowledge of the insolvency.

Strengths and strategy

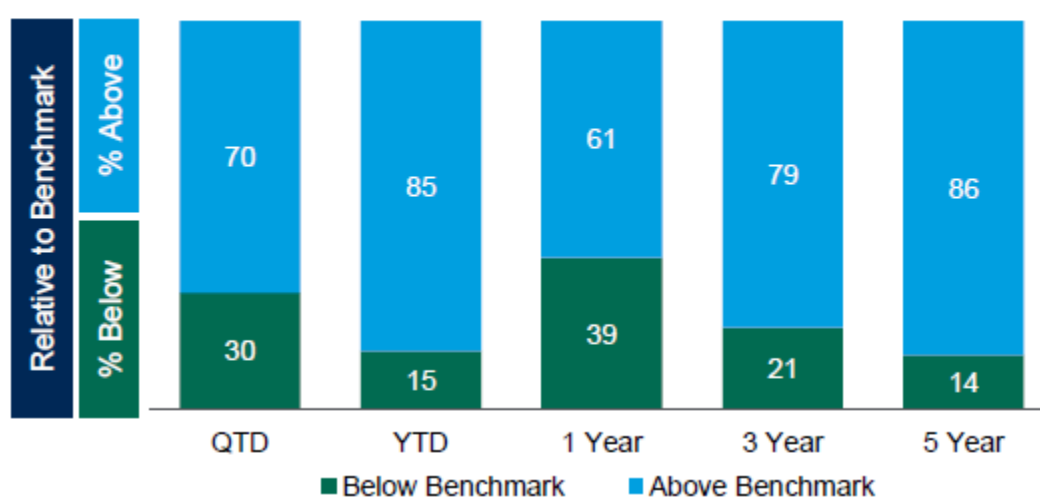
The Group believes that its strengths and strategy outlined below distinguish it from its competitors and are important to its success and future development:

A pedigree global asset manager focused on high-conviction active investing

The Group is uniquely positioned in that it combines the structure and reach of a global investment manager with the client-focused culture of a private company. The Group recognises that certain asset classes and market segments are less efficient than others, creating particularly fertile ground for active management. The Group operates in those segments where it believes that its active, high-conviction approach can add the most value — helping its clients achieve outcomes that go beyond the limitations of traditional market benchmarks, seeking higher returns, and actively managing risk. The Group believes that its high-conviction active investing strategies have enabled them to deliver strong performance relative to respective benchmarks. The diagram below illustrates the investment performance of the Group’s strategies relative to benchmark as at 30 June 2019.

Investment Performance

% of marketable strategies above/below benchmark



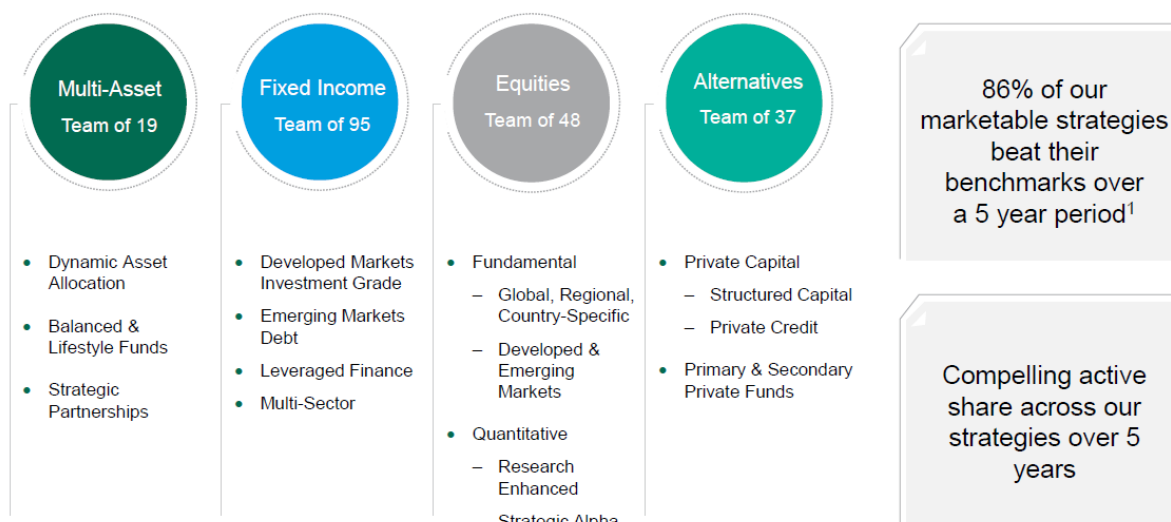
Note:

- (1) The analysis above refers to strategies versus their benchmarks, and refers to the percentage of the Group’s 33 strategies (excluding alternatives) that have a marketable composite and excludes custom or client-specific mandates.

The Group also believes that investment excellence means more than just returns and will continue to employ an active approach, build portfolios with a high level of conviction, account for risks, and aim to exceed its clients’ goals.

Diversified and tailored investment strategies across a broad asset spectrum

The Group manages a diverse range of active strategies across multi-asset, fixed income, equity and alternative asset classes. The Group offers a high degree of transparency into its investment approach and the factors influencing the markets. It forges meaningful partnerships with its clients, providing them with direct access to members of its investment team, including portfolio managers. The Group’s investment professionals strive to maintain a deep understanding of its clients’ objectives and unique requirements and provide tailored strategies to meet the clients’ objectives.



Notes:

- (1) As of 30 June 2019. Refers to the percentage of the Group's 33 strategies (excluding alternatives) that have a marketable composite and excludes custom or client-specific mandates.
- (2) Average active share across seven fundamentally-driven equity composites is 85 per cent. over the five year period ending 30 June 2019. Active share measures the percentage of equity holdings in a portfolio that differ from the index constituents. It is calculated by summing the absolute difference of the weight of each holding in the portfolio versus the index and dividing by two.

Award winning strategies underpinning a steady growth of AUM

The Group's consistent delivery has yielded a steady AUM inflow and a series of prestigious industry accolades. The Group's AUM⁵ grew steadily from U.S.\$82.7 billion in 2016 to U.S.\$85.3 billion in 2017, to U.S.\$89.6 billion in 2018 and U.S.\$97.2 billion as at 30 June 2019. Over the years, the Group has also been recognised with several prestigious awards. For example, the Group was named Fund Manager of the Year 2019 – Asia Pacific ex Japan Equities by Investment Week and also obtained an award for excellence in asset management and servicing in the multi-asset category by the Chief Investment Officer Industry Innovation Awards (2018). In 2017, the Group was also awarded the best fund manager award (for bonds and equities) from Citywire Asia Hong Kong. The steady inflow of AUM as well as the receipt of various industry accolades are a testament to the Group's standing and positioning as an industry leader.

Global network of tenured investment professionals delivering world class investment outcomes

The Group's heritage affords it the benefits of a global multi-asset class investment and distribution platform, experienced investment teams, and long investment track records. As at 30 June 2019, the Group had 21 global office locations housing over 680 investment, sales and support personnel, enabling local delivery of the Group's full scope of capabilities to investors around the world. The Group has approximately 200 investment professionals⁶, who have on average been with the firm for nine years.

⁵ As of 30 June 2019. As presented throughout the Offering Circular, references to the Group's total AUM (and corresponding asset class AUM) includes U.S.\$16.8 billion of assets (U.S.\$10.0 billion in fixed income and U.S.\$6.7 billion in equities) managed by joint ventures or other entities not wholly owned by PineBridge.

⁶ Investment professionals include portfolio managers, research analysts, traders, portfolio strategists and product specialists and also includes investment professionals at the senior vice president and managing director level, and are subject to change.

The Group believes in aligning the interests of its employees with itself and ensures that its employees are vested in driving successful outcomes by allowing them to have a meaningful share in the success of the firm through equity ownership and other rights to profits of the business. The Group’s investment professionals have, on average, been with the Group for nine years.

Strong market presence with clients across Americas, EMEA and Asia

With a global network of professionals across 21 offices, the Group is able to deliver solutions for clients around the clock. The Group is headquartered in New York with and has regional headquarters in London and Hong Kong. It also has significant AUM in China arising from its joint venture with Huatai. The Group believes that understanding cultural nuances and speaking the local language are critical in ensuring that it maintains a competitive edge. To that end, it has endeavoured to build its teams organically through local hires in the respective jurisdictions, ensuring that local market needs and investor objectives and priorities are aligned.

The Group will continue to focus on strengthening its operating performance and pursue future growth opportunities. In particular, over the mid-term horizon, the Group intends to promote the PineBridge brand across all strategies and sectors, focus on the profitability of its asset management activities and ensure greater capital efficiency. In addition, it will also continue to expand organically, by way of fundraising and expanding its client base, product range and geographical footprint, as well as pursue selective merger and acquisition opportunities.

Experienced management team aligned and committed to delivering long term success

The Group believes that the significant growth of its AUM has been driven by its dedicated and experienced senior management team. Our senior management team has, on average, been with the Group for 12 years. In addition, the Group’s Chief Executive Officer Mr. Ehret, Chief Operating Officer Mr. Karpik and Chief Financial Officer Ms. Ahern, have over 20 years of experience in the investment management industry. See “Directors and Senior Management”. The Group has been able to capitalise on the collective expertise of its management team and other professional employees to formulate, innovate and implement its investment strategies with high levels of execution capability, and capture opportunities in various global and emerging markets. The Group believes its management team will continue to be instrumental to its sustained growth.

History and development

Prior to becoming a part of the PCG group, the Group constituted the asset management division of American International Group, Inc. (“AIG”), and has decades of experience managing money for sophisticated investors. The Group’s legacy in investment management dates back to the early 1960s managing assets for AIG insurance companies globally. In January 1996, the Group consolidated various investment entities into a single platform, sharing common investment, trading and compliance systems and reporting to a common functional management team. Today, asset management remains the Group’s sole focus, with strategies spanning developed and emerging markets, as well as traditional and alternative asset classes. The table below sets forth significant milestones of the Group:

1960s	AIG started various entities for the purpose of managing assets for AIG insurance companies around the world.
1996	AIG founded AIG Investments as its arm for the investment advisory and asset management business
2004	Established joint venture with Huatai Securities Company Limited to strengthen onshore China presence
2010	PCG acquired AIG Investments; PineBridge Investments formed
2016	Mr. Gregory A. Ehret joins as CEO

2016	Closed US\$600m Fundraising for Structured Capital Partners III, L.P.
2017	PineBridge onboards direct lending/private credit team
2017-2019	EMEA presence expands with offices in Dubai, Helsinki, Munich, Zurich
2018	Taiwan Preferred Securities Fund Crosses US\$1 billion mark Taiwan largest provider of fixed income products; top 10 asset manager Taiwan “Best Onshore Fund House” Mutual Fund Brand of the Year
2018	Closed Secondary Market Fund PSP IV Above Target at U.S.\$568m Closed Secondary Opportunity Partners Fund at US\$880mn
2019	New York City company headquarters moves to state-of-the-art new facility China A-Shares Quantitative Funds launched

Awards and recognitions

The Group has received recognition through various awards and accolades for its quality and its commitment to excellence. The following table sets out certain recent key awards received by the Group:

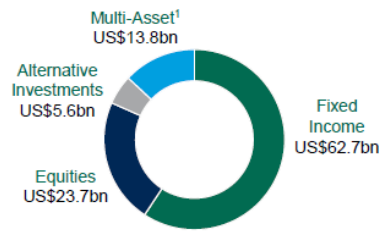
2019	PineBridge Asia ex-Japan Small Cap Equity won Investment Week’s Fund Manager of the Year 2019 award in the Asia Pacific ex Japan Equities category.
2018	In the Asian Investor Asset Management Awards 2018, PineBridge Taiwan won “Fund House of the Year – Taiwan”. The Group’s PineBridge Global Dynamic Asset Allocation Strategy received an award for excellence in asset management and servicing in multi-asset category by the Chief Investment Officer Industry Innovation Awards (2018).
2017	PineBridge’s portfolio managers were named best fund manager award (for bonds and equities) by Citywire Asia Hong Kong.
2016	The PineBridge fixed income team obtained the Camradata Asset View Award under the U.S.\$ loans category. The Group received the Floating-Rate Bank Loan Fixed Income Manager of the Year at the Institutional Investor US Investment Management Awards.
2015	The Group obtained the top 2015 U.S. Investment Manager award within the Balanced/Global Tactical Asset Allocation category from Institutional Investor.
2014	The Group’s multi-asset team obtained the Global Multi Asset Manager of the Year award in the Global Investor Investment Excellence Awards.

Business

Investment capabilities

The Group’s business and investment capabilities can be broadly divided into four categories: fixed income, equities, multi-asset and alternatives. The Group’s AUM by investment capability for the six months ended 30 June 2019 is set out as below:

BY INVESTMENT CAPABILITY



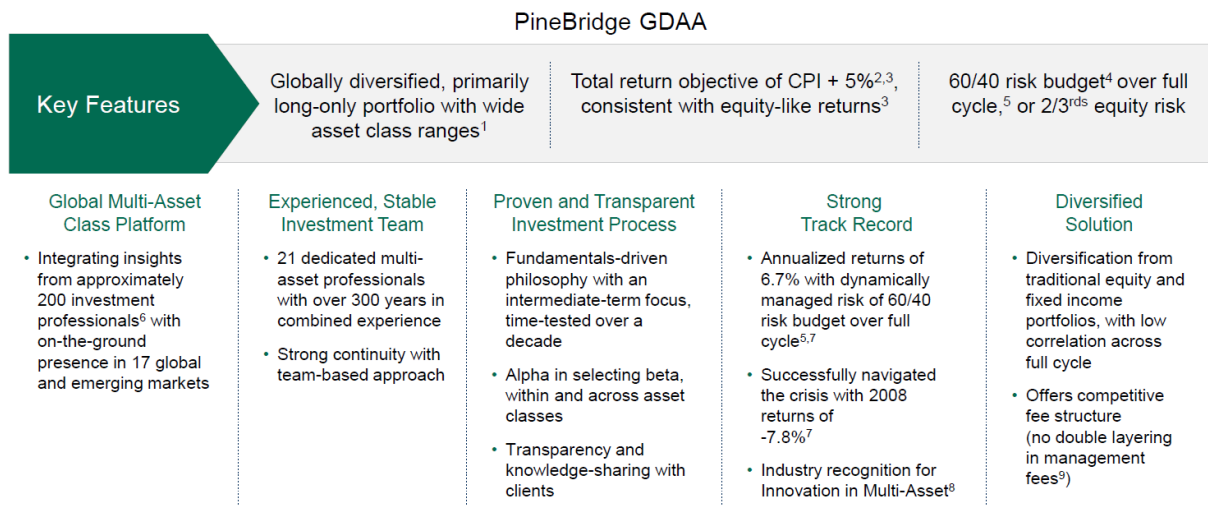
Note:

- (1) The total AUM does not reflect the sum total of the investment capabilities AUM as the Group's multi-asset strategy includes investments allocated by the multi-asset team to the Group's equity, fixed income and alternative strategies.
- (2) As of 30 June 2019. As presented throughout the Offering Circular, references to the Group's total AUM (and corresponding asset class AUM) includes U.S.\$16.8 billion of assets (U.S.\$10.0 billion in fixed income and U.S.\$6.7 billion in equities) managed by joint ventures or other entities not wholly owned by PineBridge.

For further details, please refer to Appendix 1 for an overview of the performance of certain of the Group's investment capabilities.

Multi-asset

The Group's multi-asset capability, which includes the PineBridge Global Dynamic Asset Allocation Strategy, invests across over 80 asset classes. The diagram below illustrates the key features of our multi-asset capabilities:



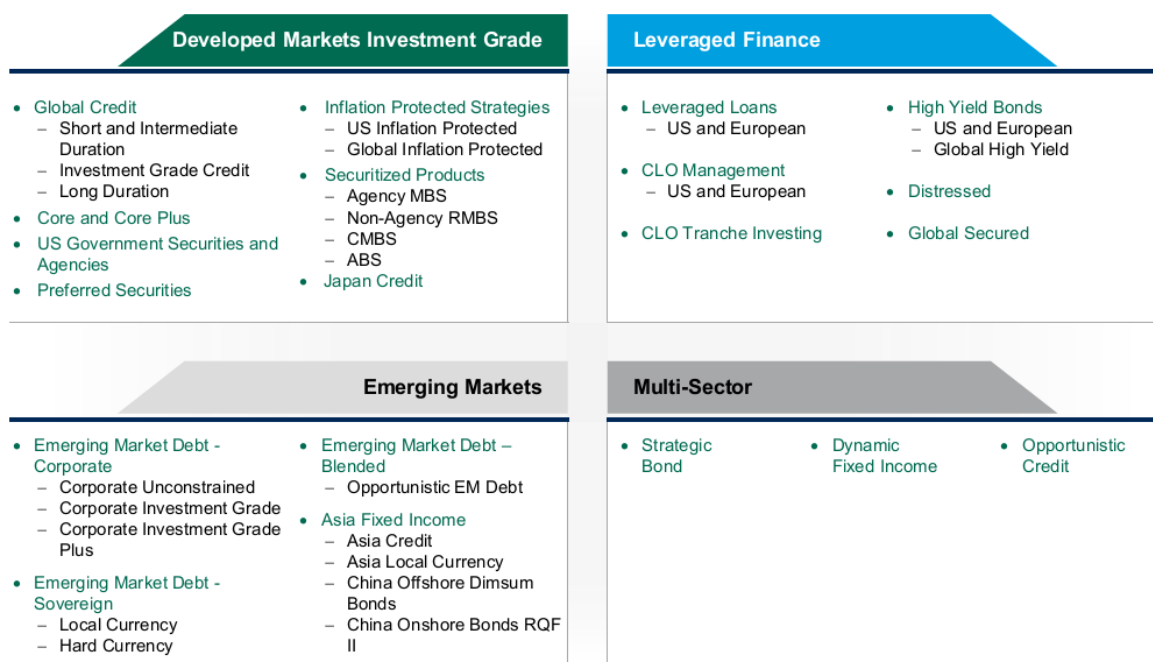
Notes:

- (1) Small exposures to underlying strategies which may be long/short.
- (2) US CPI ex-food and energy. There is no assurance that any investment objective or target will be achieved. Please to refer the Sound Basis Disclosure in Appendix 2 of this Offering Circular.
- (3) Over rolling five-year periods.
- (4) Risk budget is the total portfolio risk driven by our intermediate-term views, and averages to 60/40 benchmark over full cycles.
- (5) Full cycles are subjectively defined by the multi-asset team as from the peak of one cycle to the peak of next; current full cycle defined as since January 2007.
- (6) Past performance is not indicative of future results. Schedule of Rates of Return and Notes to the Schedule of Rates of Return available upon request.
- (7) Chief Investment Officer Industry Innovation 2018 award winner for excellence in asset management and servicing in multi-asset category.

(8) No double layering in fees when accessing asset class exposure through internally managed strategies within the Group.

Fixed income

The Group's fixed income portfolio spans from high grade developed markets, leveraged finance, multi-sector to local and hard currency emerging market debt. The Group's fixed asset investment capabilities range includes, amongst others, global credit of short, intermediate and long durations, U.S. government securities and agencies, preferred securities, securitised products, leveraged loans, collateralised loan obligations management, collateralised loan obligations tranche investing, high yield bonds, emerging market debt (corporate and sovereign), emerging market debt (blended) and various multi-sector fixed income solutions.



Equities

The Group offers an array of global, regional, and country-specific equity strategies that leverages insights through its on-the-ground teams in developed and emerging markets around the world. The Group concentrates on alpha-rich areas of the markets, where its active investment approach allows it to build portfolios with a high degree of focus and conviction. Fundamental active strategies take a more micro view of investing, aiming to deliver high active share and stock selection-driven alpha through analysing corporate fundamentals, management practices, valuations, amongst others, to determine a stock's intrinsic value and relative strength in its respective asset class. The Group's quantitative active strategies, on the other hand, attempts to remove human bias in the generation of alpha through the use of statistical models and automated techniques. Examples of quantitative investing strategies include factor investing, risk parity, global macro, event-driven and statistical arbitrage.

The chart below shows a non-exhaustive list of our range of equity strategies divided into the global, regional and national level across our fundamental and quantitative portfolios.

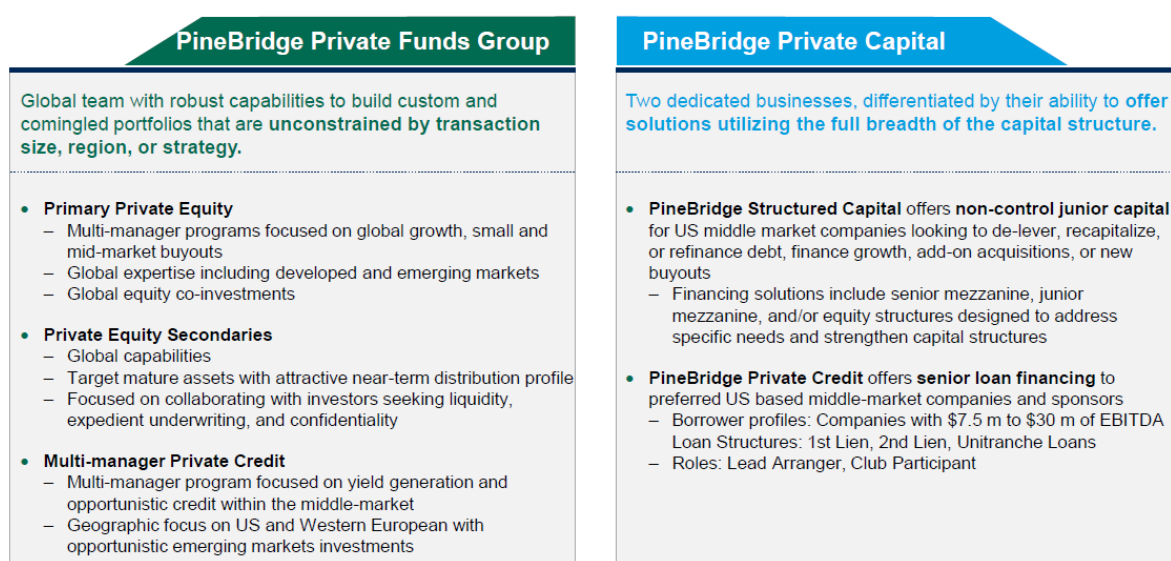


Alternatives

The Group’s alternatives strategies consist of private capital and private funds.

Its private capital strategy comprises two dedicated businesses spanning the full breadth of the capital structure, namely PineBridge Structured Capital and PineBridge Private Credit. PineBridge Structured Capital offers non-control junior capital for companies looking to, amongst other things, de-lever, recapitalize, refinance debt, finance growth, making add-on acquisitions and financing new buyouts. PineBridge Private Credit offers senior loan financing to primarily US domiciled middle market companies and sponsors.

Its private funds strategy focuses on three types of portfolios, primary private equity, private equity secondaries and multi-manager private credit. The Group’s primary private equity portfolio focuses on multi-manager programs focused on global growth, small and mid-market buyouts and its private equity secondaries portfolio targets mature assets with attractive near-term distribution profile. The Group’s multi-manager private credit portfolio focuses on yield generation and opportunistic credit within the middle-market in the U.S. and western European regions.



Note:

- (1) For illustrative purposes only. The Group is not soliciting or recommending any action based on this material. Diversification does not ensure against loss. Any opinions, views, projections, forecasts and forward-looking statements are speculative in nature, valid only as of the date of this Offering Circular and are subject to change. There can be no assurance that any or all of these target allocations and key attributes can be achieved by any actual client, portfolio or fund. Does not constitute: (i) research or a product of any research department, (ii) an offer to sell, a solicitation of an offer to buy, or a recommendation for any investment product or strategy, or (iii) any investment, legal or tax advice.

Fee model

The Group charges fees based on its investment management and advisory services provided to its clients. The Group's fees primarily consist of investment advisory and performance fees.

Investment advisory fees are derived from fees for investment management and advisory services provided to private equity funds, funds of funds and CLO vehicles, traditional investment funds, separately managed accounts, and other institutional and retail clients. The fees from clients are charged periodically (e.g., monthly, quarterly or semi-annually) based on average net AUM and may be collected in arrears or in advance depending on the arrangement. Advisory fees earned in connection with private equity funds are generally based on committed or invested capital, depending on where the fund is in its life cycle and are generally collected in advance, in certain cases up to 180 days. The advisory fees earned from other funds are generally based on the net asset value of the respective funds. Percentages, formula calculations, underlying agreements and terms vary and are defined in each management agreement. The collateral management fees earned from managing CLO vehicles are calculated and payable based on a percentage of the beginning period par asset balance plus principal cash balances and are subject to the vehicles' priority of payments schedules. The fee levels vary between the vehicles and are defined in the underlying collateral management agreements.

Performance fees include carried interest from private equity funds and managed accounts, and performance fees from CLO vehicles managed by the Group. In certain structures, specifically in private equity funds, funds of funds, and certain related managed accounts (collectively "**Carry Funds**"), performance fees ("**Carried Interest**") are allocated to the general partner based on cumulative fund performance to date. At the end of each reporting period, the general partner calculates the Carried Interest that would be due to it as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Carried Interest to reflect either (a) positive performance resulting in an increase in the Carried Interest allocated to the general partner or (b) negative performance that would cause the amount due to the Group to be less than the amount previously recognized as revenue, resulting in a negative adjustment to Carried Interest allocated to the general partner. In each scenario, it is necessary to calculate the Carried Interest based on cumulative results compared to the Carried Interest recorded to date and make the required positive or negative adjustments. Negative adjustments will never exceed previously recognized Carried Interest allocations. The Group is not obligated to pay guaranteed returns or hurdles and, therefore, cannot have negative Carried Interest over the life of a fund or managed account. Accrued but unpaid Carried Interest, referred to as unrealized carried interest, as of the reporting date is reflected in Investments in PineBridge's consolidated statements of financial condition. Carried interest is realized when one or all underlying investments are profitably disposed of and the fund's cumulative returns are in excess of the preferred return.

Carried Interest is subject to clawback to the extent that the Carried Interest actually distributed to date exceeds the amount due based on cumulative results (see "*Risk Factors - "Clawback" provisions may require the Group to return or contribute amounts to its funds and fund investors*").

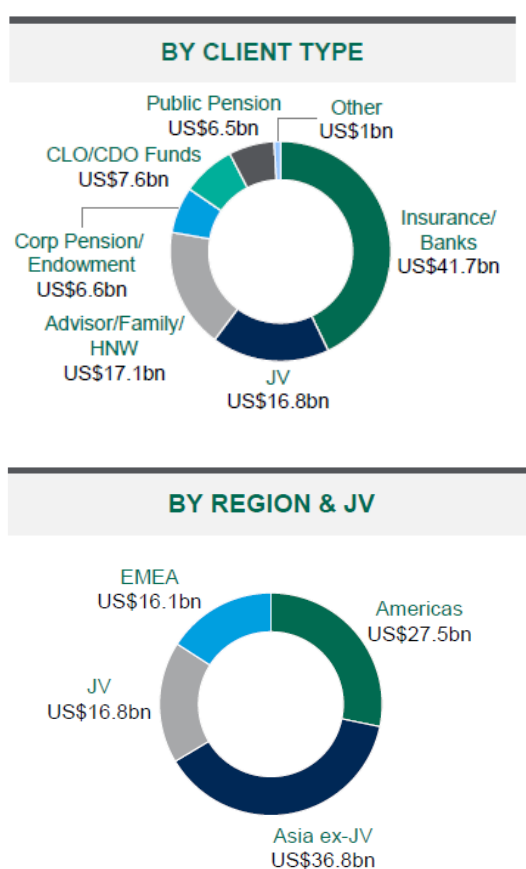
Performance fees are also earned from certain separately managed institutional and private client accounts. Performance fees earned from these separately managed accounts are not subject to clawback and are accrued

if certain performance thresholds are achieved during the reporting period. The Company records such fees at the end of the performance measurement period, which is generally each calendar year end.

Client type and region

The Group’s clients include a diverse mix of institutional, intermediary and retail clients, including official institutions, public and corporate pension funds, insurance companies, banks, registered investment companies, charitable organisations, private banks, wealth managers and high net-worth individuals. Clients invest with the Group through separately managed accounts, mutual funds and other pooled vehicles, including locally registered fund vehicles to cater to the needs of clients in various jurisdictions. The diagram below sets forth the Group’s AUM by client type as at 30 June 2019.

The Group has a global footprint, and have offices across the globe, including in the Americas; Europe, the Middle East and Africa (“EMEA”); and Asia Pacific regions. The Group’s AUM as at 30 June 2019 by client region is presented as below.



Unlike most global asset managers, over 50 per cent. of the Group’s AUM is sourced from the Asia Pacific region. The Group has a long history of operating in Asia, with roots dating back to the 1960s. Since then, the Group has been providing investment management solutions and strategies to onshore institutional clients spanning the asset class spectrum. With increasing clientele and growing demand for our high conviction, focused investment solutions from institutional clients in the region including Australia, China, Hong Kong, Korea, Taiwan, as well as South East Asia, the Hong Kong regional headquarters have expanded in recent years in terms of the number of employees and also scope of responsibilities. The Group’s Taiwan business is also uniquely positioned as a direct retail fund provider and has earned a reputation as a pioneer and innovator in

the onshore funds industry having consistently developed new types of Taiwan-domiciled funds, investment-linked policy mandates and fund share classes.

Joint venture with Huatai

China is strategically important for PineBridge and the Group has a strong track record of innovation in the market. For example, the Group was one of the earliest foreign institutions to be granted a license and QFII investment quota, which is a program that allows specified licensed international investors to invest in the China A share market.

In 2004, the Group, together with another joint venture partner, partnered with Huatai Securities Company Limited (“**Huatai**”), one of China’s top five largest securities brokerages by AUM, to establish a joint venture, Huatai-PineBridge Fund Management Co Limited (“**HTPB**”). Combining the parties’ network, resources, technology with local knowledge, depth and experience, the joint venture draws upon strong global and local synergies between the two companies. As at the date of this Offering Circular, HTPB is owned by the Group, Huatai and Suzhou New District High-Tech Industrial Company Limited, with a respective shareholding of 49 per cent., 49 per cent. and two per cent. each.

HTPB is headquartered in Shanghai and has branch offices in Beijing and Shenzhen. As at 30 June 2019, HTPB managed approximately U.S.\$16.8 billion of assets. Among the first movers in quantitative investing, the Group’s joint venture with Huatai is currently one of the largest active quant fund managers in China. HTPB also manages an onshore exchange traded fund (“**ETF**”) business, including the country’s first CSI 300 ETF with same day settlement, which is one of the largest and most liquid CSI 300 ETFs in the world. The CSI 300 ETF is designed to track the performance of the top 300 stocks traded in the Shanghai and Shenzhen stock exchanges.

The Group is committed to its partnership through HTPB and aims to serve as the bridge between China and rest of the world in promoting more investments into China and onshore products globally. The Group leverages the local expertise and insights of HTPB and partners with HTPB in the development and management of China-related products and strategies.

Funding

The Group actively considers financing channels for its general operating and investment purposes and enters into credit facilities from time to time.

The Group has a U.S.\$300 million credit facility (“**Credit Facility**”) available with six banks, of which each bank provided credit of U.S.\$50 million to the Group. As at 31 December 2018, the Group had outstanding borrowings of U.S.\$251 million under the Credit Facility, which would expire in February 2022. The lenders under the Credit Facility have granted a waiver under the Credit Facility, which waiver continues to remain in full force and effect as at the date hereof in respect of compliance with certain financial covenants. It is expected that the proceeds of the Notes will be used to repay the Credit Facility in full.

Sales and marketing

The Group’s sales and marketing strategy is regionally-driven, ensuring that local market needs and investor objectives and priorities are aligned. As at 30 June 2019, the Group had dedicated teams of approximately 170 employees in its sales, marketing and business development divisions. In each market, the Group offers separately managed accounts, mutual funds or local market funds, commingled vehicles and private funds as appropriate to meet the needs of its investors.

The Group’s business teams across the globe have developed extensive relationships with various significant key players around the world. The Group believes that understanding cultural nuances and speaking the local language are critical in ensuring that it maintains a strategic advantage. To that end, the Group’s business

development teams are organised by region and channel. It procures business opportunities by generating awareness of the Group, educating and engaging potential clients about the Group's investment capabilities. The Group's business teams do so via direct sales efforts and referrals, as well as by engaging consultants, intermediaries and distributors to find new opportunities. They also attend industry conferences and events and monitor the markets and channels they cover.

The Group's business development teams are supported by marketing and media activities, as well as exposure on industry databases including eVestment and Morningstar. From time to time, the Group hires third party distribution capabilities to support sales in a specific market or strategy, but the vast majority of the Group's business development efforts are conducted by the Group's personnel.

Operating and technology platform

The Group has a robust operating and technology platform supporting its day-to-day functions, which includes compliance, data management, client management, investment operations and middle office operations.

The Group's information technology ("IT") infrastructure comprises both third party applications as well as its in-house developed applications. It also has two data centres located in the United States which allows for a fully automated application failover of its core services as a contingency measure. In addition, the Group has also put in place a business continuity program to continuously monitor and test its operating and technology platform, as well as its personnel. As part of its business continuity program, the Group undertakes business impact analysis periodically to identify its weak points and also conducts annual disaster recovery tests for both its IT and business teams. The Group also adopts a call tree software and provides remote virtual person network access to its employees as part of its business continuity measures.

The Group recognises that security of its network and data is also paramount. To ensure that its systems stay secure and its employees stay vigilant, the Group conducts a monthly network penetration test on all its devices to test for new vulnerabilities and provides training to its employees semi-annually. System vulnerabilities are tracked and remediated upon discovery and employees have to complete tests as part of their employee security training. In addition, the Group also conducts social engineering and phishing tests globally to its employees at random. Employees who fail the phishing tests will undergo remedial training.

Risk management

The Group performs a formal risk assessment at the global level as well as the regional level on a regular basis. The risk assessment allows it to identify, assess and prioritise risks, so as to support management in continuing to allocate resources to areas that require attention.

The Group has set up a global risk committee ("GRC"), responsible for the oversight of the Group's risk management process. It comprises representatives from senior management, legal, compliance, investment management, risk management, finance, operations, technology and internal audit departments of the Group. The role of the GRC is to provide assurance to the Board that the Group is managing effectively the risks within the business.

The GRC is assisted by various sub committees, namely the regional risk and capital committees, regional counterparty approval committees, global derivatives committee, global valuation committee, privacy & data security sub-committee, liquidity risk management committee and the European fund risk committee.

On a regular basis, the Group also has to submit its risk report to the applicable regulators in a number of the jurisdictions they operate in, including the Central Bank of Ireland, the Securities and Futures Commission in Hong Kong, the Monetary Authority of Singapore and also the U.S. Securities and Exchange Commission. In addition to regulatory requirements, the Group, from time to time will submit internal reports to the GRC and

its sub-committees. The Group believes that a robust risk management framework is vital for it to achieve its strategic goals.

Compliance

The Group has a compliance department which provides asset class-based and functional support to the Group’s investment strategies, shared support services functions and senior management. Its compliance department is organised on a regional basis (Americas, EMEA and Asia) and consists of approximately 28 compliance professionals across the globe. It has a global compliance programme, which encompasses functions required by both regulatory requirements and industry best practices.

The Group is regulated by over 30 regulatory bodies globally and has put in place a programme covering three key functions: investment management compliance, sales practice compliance and core compliance. Investment management compliance consists of a comprehensive guideline monitoring program with automated pre-trade and post-trade monitoring that ensures that the Group is in compliance with client guidelines and applicable regulatory requirements and active participation with the Group’s investment management leadership to identify and resolve key trade compliance issues across regions. Sales practice compliance ensures that sales and marketing efforts comply with local licensing, distribution and industry standards and to identify operating and regulatory risks at the earliest stages of the product life cycle through an integrated, automated, global marketing approval platform. Core compliance consists of compliance training relating to financial crimes, anti-money laundering, anti-corruption concerns for the Group’s personnel to foster and drive common ethical practices within the group. The Group also conducts email monitoring and personal trade monitoring to ensure the highest standards amongst its employees.

The Group strives to develop and support a culture where ownership of compliance risk and related mitigation is assumed by all employees.

Regulation

As a global asset manager, the Group conducts its investment business worldwide and is therefore subject to the governance of various local financial service regulators including but not limited to the Securities and Exchanges Commission in the U.S., the Commodity Futures Trading Commission and National Futures Association in the U.S., the Financial Industry Regulatory Authority in the U.S., the Financial Conduct Authority in the United Kingdom, the Securities and Futures Commission in Hong Kong, the Monetary Authority of Singapore, the Financial Services Agency in Japan, the Central Bank of Ireland and the Financial Services Board in South Africa. The laws and regulations administered and enforced by these regulators are primarily intended to protect investment advisory clients, and failure to comply with such laws and regulations could result in the limitation, restriction or prohibition of the relevant entity in the Group from carrying on its business, as well as possible sanctions for significant compliance failures including censures, fines, suspension of individual employees and revocation of licenses.

PineBridge is committed to ensuring that each member of the Group conducts its business in accordance with the laws, regulations and other requirements of the financial and corporate regulators in each jurisdiction in which its member companies do business.

Employees

As at 30 June 2019, the Group had approximately 680 employees worldwide. The table below sets forth the approximate number of our employees by function as of 30 June 2019:

Investment professionals	200
Sales and marketing professionals	170

Legal, compliance, information technology, operations, risk, product and executive management	310
Total	<u>680</u>

The Group recognises the value of a broad investment platform and believes in building its team based off locally-sourced talent in the jurisdictions in which it operates. The Group’s employees have a meaningful share in the success of the firm through equity ownership and other rights to profits of the business, ensuring they are vested in driving successful outcomes. In addition, the Group’s employees are also eligible to participate in the performance-based bonus and long-term incentive programmes.

The Group’s investment professionals; sales and marketing professionals; and legal, compliance, IT, operations, risk, product and executive management have, on average, been with the Group for nine years, five years and six years respectively.

Corporate social responsibility

The Group is a signatory to the Principles for Responsible Investment (“PRI”), a framework developed by the investment community in 2005 under the auspices of the United Nations. The PRI provides a framework through which to report and assess environmental, social and corporate governance (“ESG”) factors. As a signatory to the PRI, the Group is committed to incorporating ESG issues into its investment analysis and decision-making processes. The Group believes that issues associated with PRI and ESG factors can materially impact the performance of companies in which it invests, it consistently seeks to engage with investee companies on these issues where relevant. The mechanisms for such engagement vary across asset classes. However, as part of the Group’s research processes within each asset class, its investment teams frequently spend time with senior level management of the companies it is analysing and this frequently includes discussions on how ESG issues could affect their businesses and potential investment performance. The Group believes that such discussions can be a positive influence in drawing management attention to these issues and their importance to the investment community.

In July 2019, PineBridge was awarded an ‘A+’ rating by the PRI, placing PineBridge in the top quartile of rated asset managers. PineBridge received the top ranking for overall ‘strategy and governance’ and all underlying asset classes are ranked either at median or above.

Legal proceedings

The Group is from time to time involved in legal proceedings arising from the ordinary course of its business, including as plaintiff or defendant in litigation or arbitration proceedings. To the best of the Group’s knowledge, there is no current litigation or arbitration proceedings against it that could have a material adverse effect on its business, financial condition or results of operations.

DIRECTORS AND SENIOR MANAGEMENT

Directors

The Group is governed by the board of directors (the “**Board**”) of Bridge Holdings Company Limited, acting as general partner of the Issuer, and the Board’s sub-committees. The Board exercises oversight over all areas of the Group, including its strategic direction. The Board currently consists of nine members, including the chief executive officer and executive director, the non-executive chairman and seven non-executive directors. The Board does not oversee the day-to-day operations or investments of the Group but instead delegates the authority to its sub-committees.

The table below sets forth information relating to the directors of the Board as at the date of this Offering Circular:

<u>Name</u>	<u>Position</u>
John L. Thornton	Non-Executive Chairman
John Baird.....	Non-Executive Director
Gregory A. Ehret	Chief Executive Officer and Executive Director
C. Kim Goodwin.....	Non-Executive Director
Richard Li.....	Non-Executive Director
Winnie Siu	Non-Executive Director
Yin-Man Tang	Non-Executive Director
Edmund Sze Wing Tse	Non-Executive Director
W. Michael Verge.....	Non-Executive Director

The biographies of the directors of the Board are set out below.

Mr. John L. Thornton is the non-executive chairman of PineBridge. He holds a bachelor’s degree from Harvard College, a degree in jurisprudence from Oxford University and a master’s degree from the Yale School of Management. Mr. Thornton was appointed as the non-executive chairman of the Board in 2014. He previously served as the president and member of the board of the Goldman Sachs Group, Inc. Mr. Thornton is currently the chairman of the board of Barrick Gold Corporation, the co-chairman of the board of trustees of the Brookings Institution in Washington, D.C. and a director of the Ford Motor Company. He is currently also a professor and director of the Global Leadership Program at the Tsinghua University School of Economics and Management in Beijing. In addition, Mr. Thornton serves as a trustee, advisory board member or member of the China Investment Corporation, China Securities Regulatory Commission, Council on Foreign Relations, McKinsey Advisory Council and Morehouse College.

Mr. John Baird is a non-executive director of PineBridge. Mr. Baird holds a bachelor of arts degree in political studies from Queen’s University at Kingston. Mr. Baird was appointed as a non-executive director of the Board in 2015. Mr. Baird was first elected to the House of Commons in 2006 and re-elected in 2008 and 2011 and he was appointed as Leader of the Government in the House of Commons in August 2010. Afterwards, he served as Minister of Foreign Affairs of Canada from May 2011 through January 2015. In his role as Minister of Foreign Affairs, he served as a key driver for foreign policy engagement, where he supported building cross-border partnerships, provided development assistance and strengthened trade and economic engagement for Canada. Furthermore, he also

served in a number of other positions within Prime Minister Stephen Harper's federal cabinet, including President of the Treasury Board, Minister of Environment and Minister of Transport, Infrastructure and Communities.

Mr. Gregory A. Ehret is the chief executive officer and executive director of PineBridge. Mr. Ehret holds a bachelor's degree in Economics from Bates College and an MBA from Boston University. As an experienced executive with over 20 years in the industry, Mr. Ehret has a well-established track record of growing a global business across both developed and emerging markets. Mr. Ehret previously served as the president of State Street Global Advisors ("SSGA"), the investment management arm of State Street Corporation. He served as Global Chief Operating Officer of SSGA from 2012 to 2015 and he was also a member of SSGA's Executive Management Group and served on the board of multiple operating entities and fund companies. Prior to joining SSGA, Mr. Ehret was head of Europe, the Middle East and Africa (EMEA), and he moved to London to assume the role of head of Sales and Distribution in EMEA in January 2007. Furthermore, Mr. Ehret held a number of executive positions in operations, sales, and product development, including serving as co-head of SSGA's SPDR ETF business.

Ms. C. Kim Goodwin is a non-executive director of PineBridge. Ms. Goodwin also serves as the chair of the audit committee and a member of the remuneration committee. Prior to joining the Issuer, Ms. Goodwin was managing director and chief investment officer of Equities at State Street Research & Management Company; chief investment officer of US Growth Equities at American Century Investments; and senior vice president and portfolio manager at Putnam Investments. Afterwards, she joined Credit Suisse's Asset Management Division as managing director and head of Equities, responsible for the management of the Group's equity products in the Americas, EMEA, and Asia-Pacific. Ms. Goodwin currently serves on the board of trustees and board of endowment for Princeton University and she also serves on the board of directors for Popular, Inc. and on the advisory board of Grupo Ferré Rangel Holdings.

Mr. Richard Li is a non-executive director of PineBridge. Mr. Li is the founder and chairman of PCG, an Asia-based long term private investment group founded in 1993 with interests in financial services, TMT and real estate. Mr. Li launched STAR TV, Asia's first satellite-delivered cable-TV service in 1990 and he established Cyberport project in the mid to late 1990s, which raised awareness of technology's role in Hong Kong's economy. Furthermore, Mr. Li launched the world's first major IPTV service, now TV, via PCCW Limited ("PCCW") in 2013. Mr. Li was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in 2011. He is a representative of Hong Kong, China to the APEC Business Advisory Council and a member of the Center for Strategic and International Studies' International Councillors Group in Washington, D.C. He is also a licensed pilot.

Ms. Winnie Siu is a non-executive director of PineBridge. She also serves as executive vice president, business development of PCG. Ms. Siu has been working at PCG since 1993 and has been closely involved in several major transactions including the sale of STAR TV to News Corporations, the listing of PCCW, the takeover of Cable & Wireless HKT Limited, the acquisition of PineBridge, and the recent acquisition of the Hong Kong and Thailand insurance businesses from ING Group. Ms. Siu previously served as partner at Baker & McKenzie and then group director and general counsel of Hutchison Telecommunications Limited, a cellular telephone company owned by Hutchison Whampoa Limited. She was part of the management that witnessed Hutchison Telecom grow from being a Hong Kong based company into a global business with cellular businesses in Thailand, Malaysia, Australia, Germany, France and the UK.

Mr. Yin-Man Tang is a non-executive director of PineBridge. Mr. Tang was appointed as a non-executive director in 2016. Mr. Tang has over 20 years of experiences in the investment industry as a fund manager and as an investment strategist, and has managed unit trusts, pension trusts as well as multi-strategy hedge fund assets. He previously served as investment strategist at Lord Rothschild's listed investment trust and his philanthropy asset management company in the UK. Mr. Tang is currently the chief financial officer of Pacific Century Premium Developments Limited, a subsidiary of PCCW, principally engaged in the development and management of premium property and infrastructure projects, as well as investment in premium-grade buildings in the Asia-Pacific region.

Mr. Edmund Sze Wing Tse is a non-executive director of PineBridge. Mr. Tse holds an honorary fellowship and an honorary doctorate degree in Social Sciences from the University of Hong Kong. Mr. Tse currently also serves as the chairman and a non-executive director of AIA Group Limited (“AIA”). Mr. Tse has over 58 years experiences in the insurance industry, he began his career in the insurance industry in 1961 when he first joined AIA. Throughout his tenure, he served in many roles at AIA, including as Chairman, Chief Executive Officer and President. In recognition of his outstanding efforts to the development of Hong Kong’s insurance industry, Mr. Tse was awarded the Gold Bauhinia Star by the government of Hong Kong in 2001. In 2003, Mr. Tse was elected to the Insurance Hall of Fame, a prestigious award in the insurance industry.

Mr. Michael Verge is a non-executive director of PineBridge. Mr. Verge holds a bachelor’s degree in Economics from McMaster University. Mr. Verge was appointed as a non-executive director in 2010. He currently also serves as a non-executive director of Pacific Century Regional Developments Limited, the largest shareholder of PCCW and HKT Limited, Hong Kong’s premier telecommunications service provider and a consultant at PCG. Prior to joining PCG in 1999 as CFO of the Cyberport project, he held senior executive positions with two major international banks and was CFO of a large pulp and paper company in South-East Asia. During his time with PCG, Mr. Verge served as group treasurer of PCCW, and was a member of the PCCW Finance and Management Committee. He also served on the Executive Committee of Pacific Century Premium Developments Limited. Mr. Verge is a Member of the Singapore Institute of Directors and Singapore Institute of International Affairs. Furthermore, Mr. Verge served as a member of the Canadian Chamber of Commerce (Hong Kong), a Chairman of the Canadian International School of Hong Kong and a Fellow of the Hong Kong Institute of Directors.

Senior Management

Senior management is responsible for the day-today management and operation of the Group’s business. The table below sets forth information about the senior management of PineBridge as at the date of this Offering Circular:

Name	Position
Gregory A. Ehret	Chief Executive Officer and Executive Director
Tracie E. Ahern.....	Chief Financial Officer
Kamala Anantharam	Chief Risk Officer and Head of Investment Operations
John Blevins	Global Chief Compliance Officer
FT Chong.....	Head of PineBridge Private Capital
Cissie Citardi	General Counsel and Secretary
Steven Costabile, CFA	Global Head of Private Funds Group
Anthony Fasso	Regional CEO, Asia Pacific
Michael J. Karpik, CFA.....	Chief Operating Officer
Michael J. Kelly, CFA.....	Global Head of Multi-Asset
Jennifer Motz.....	Global Head of Human Resources
Steven Oh, CFA.....	Global Head of Credit and Fixed Income
Sergio Ramirez	Head of Americas
Klaus Schuster	Regional CEO, Europe

Name	Position
Anik Sen	Global Head of Equities

Mr. Gregory A. Ehret is the chief executive officer and executive director of PineBridge. Please see *-Directors*” for the biographical details of Mr. Ehret.

Ms. Tracie E. Ahern is the Chief Financial Officer for PineBridge. She has over 28 years in the investment management industry, including 10 years of CFO experience with alternative and long only funds. Most recently Ms. Ahern served as an Independent Trustee for the Advisor Inner Circle Trust, a \$60 Billion 1940 Investment Trust, as well as an independent director on various alternative funds. Ms. Ahern served as the CFO for a private fund and family office from 2007-2015, where she managed the Treasury, Operations, Fund Administration and Management Company finances, chaired the Valuation Committee and was a member of the Management, Capital Allocation and Risk, Brokerage and Retirement Committees. Prior to that role, she was Vice President of Capital Markets Accounting for Freddie Mac, and also held senior positions at Lord, Abbett & Co., Deutsche Bank and Goldman Sachs Asset Management. Ms. Ahern is a CPA and received an MBA in Finance and International Business from the Stern School of Business at New York, University and a BS in Accounting from Manhattan College.

Ms. Kamala Anantharam is the Chief Risk Officer and the Head of Investment Operations. She is responsible for overseeing PineBridge’s operations for its traditional and leveraged loans businesses including middle office, performance and client reporting functions. Ms. Anantharam is also responsible for overseeing PineBridge’s risk governance structure including setting risk parameters to meet internal and regulatory risk reporting guidelines for PineBridge’s global locations. Ms. Anantharam joined the PineBridge in 1990 has held a number of senior level positions within PineBridge and AIG. She was the Global Director of Internal Audit for the Financial and Retirement Services Segments at AIG (Sun America, VALIC, AIGA) and also had audit oversight over the F/X and credit risk of the organization. She was Corporate Vice President in charge of Projects and Controls for the Financial Services segment of AIG. Ms. Anantharam Co-chairs the Global Risk Committee and the Liquidity Committee. She is a Certified Public Accountant (AICPA) and a Chartered Accountant (IICA) and has a Masters in Accounting from the University of Bombay, India.

Mr. John Blevins is the Global Chief Compliance Officer and responsible for leading the Compliance function and directing all training, advisory and assurance support throughout PineBridge worldwide. In addition to this role, Mr. Blevins is the Regional Chief Compliance Officer for the Americas and is responsible for managing all regulatory compliance activity in the Americas region. He has over 30 years of regulatory compliance experience. Prior to joining PineBridge in 2013, Mr. Blevins was Managing Director and Deputy Chief Compliance Officer of BlackRock, Inc. for over seven years, and prior to that was Director and Global Chief Compliance Officer of Lazard Asset Management LLC for over six years. Additionally, he held similar compliance positions at SSB Citi Asset Management and AIG Global Investment Group. Mr. Blevins received his BS degree in Accounting from Oklahoma State University and holds the Series 7, 24, 27, 52, 53 and 63 registrations. He is also a member of the National Society of Compliance Professionals.

Mr. FT Chong is the Head of PineBridge Private Capital. He is or has been an active member of the Board of Directors of companies such as Covenant Surgical Partners, Faith Media, FieldTurf, Fresh Direct, Sodexia North America, Knowledge Universe, Talyst and Tensar. From 1994 to 1998, Mr. Chong was Executive Vice President for Business Development for the GT Group, an Asian conglomerate headquartered in Jakarta, Indonesia. In the early 1990s, he was CFO of Dynadx Technologies, a start-up company that developed and marketed an out-of-home advertising technology. He began his career in finance at Swiss Bank Corporation in 1981 and became the head of the bank’s \$3 billion U.S. leveraged finance (Structured Finance) group in the late 1980s. Mr. Chong received a BS in Chemical Engineering from the University of Malaya and an MBA from Columbia Business School.

Ms. Cissie Citardi is the General Counsel and responsible for PineBridge's legal matters worldwide, across all asset classes. Prior to assuming her current role, she served as Deputy General Counsel responsible for PineBridge's fixed income, equities, and multi-asset businesses in the Americas. Ms. Citardi joined PineBridge in 2010 as Assistant General Counsel covering legal affairs for PineBridge's fixed income strategies. Prior to that, she served as Counsel at Silver Point Capital, L.P. and before that, was an Associate at Shearman & Sterling LLP. Early in her career, she served as Associate to the Honourable Justice Beaumont in the Federal Court of Australia. Ms. Citardi holds both a Bachelor of Science (Hons) and a Bachelor of Laws (Hons) from the University of Sydney, Australia.

Mr. Steven Costabile, CFA joined PineBridge in 2000 and is the Managing Director of PineBridge's Private Funds Group. Mr. Costabile brings his in-depth knowledge of private funds to PineBridge and has played a significant role in the successful growth of four product lines: Pinestreet LLC (securitizations), PineStar (secondaries), PEP Programs (Equity), and Credit Opportunities funds. Mr. Costabile sits on the Management Committee for PineBridge. His current responsibilities include overseeing all private fund investments in the developed and emerging markets, as well as sourcing, due diligence, monitoring, product development, and marketing. Mr. Costabile's private equity investing and valuation experience date back to 1990. Previously, from 1997 to 2000, Mr. Costabile was a Vice President at Credit Suisse First Boston (CSFB) in the Private Funds Group, with a focus on investments on behalf of CSFB and third-party investors. Prior to that, he was the Senior Investment Officer of Alternative Investments for the Commonwealth of Massachusetts and the Assistant Director of Venture Capital for the Commonwealth of Pennsylvania. In both positions, Mr. Costabile focused on private equity fund investments. He received both a BSBA and an MBA from Duquesne University. He is also a CFA charterholder, holds both a Series 7 and a Series 24 license, and sits on the Board of Directors, the Business Advisory Council, and Investment Committee of Duquesne University.

Mr. Anthony Fasso is the Chief Executive Officer for Asia Pacific and is responsible for developing and managing the region's growth and distribution strategy. Mr. Fasso has been in the financial services industry since 1983 and has spent nearly 25 years in funds management in the Asia Pacific region. Most recently, he spent eight years as Chief Executive Officer of AMP Capital Investors' international business, where he was responsible for the development of AMP Capital's international strategy, distribution as well as strategic initiatives across regions. Prior to this, Mr. Fasso spent five years as Chief Executive Officer of AXA Rosenberg Asia Pacific and AXA Investment Managers Asia Pacific. He has also held other senior level positions including Chief Executive Officer and Head of Institutional Asset Management at Bank Julius Baer & Co Limited in Hong Kong, and Regional CEO at Bankers Trust Funds Management in Asia. Mr. Fasso received a Bachelor of Commerce degree from the University of Melbourne, Victoria, Australia.

Mr. Michael J. Karpik, CFA is Chief Operating Officer for PineBridge responsible for overseeing global operations, finance, compliance, risk management, product management, funds, and technology functions at the PineBridge. Mr. Karpik has 30 years of industry experience, most recently as EMEA CEO for State Street Global Advisors (SSGA), where he had overall responsibility for their investment management business in the region. He served in Chairman and CEO roles across their UK, France, and Ireland entities and has significant investment, fund product, and governance experience. Prior to his role as EMEA CEO, Mr. Karpik held roles in Europe as Head of Investments, Chief Operating Officer, Head of UK, Ireland and Middle East, Global Head of Cash Investments and EMEA Head of Cash Investments. Previously, he was at Sallie Mae in Washington, DC as Senior Funding Manager and worked as one of a four-person team to start a high net worth investment manager from the ground up. Mr. Karpik has a BS in Finance and Economics from Gannon University and is a CFA Charterholder.

Mr. Michael J. Kelly, CFA joined the PineBridge in 1999 and is responsible for overseeing PineBridge's global multi-asset business. Mr. Kelly founded PineBridge's Multi-Asset investment process and integrated several formerly independent regional balanced teams into one global team focused on total return oriented asset allocation, as well as manager selection. Today, the team's flagship total return strategy has one of the longest track records focused on CPI + 5% oriented investing (over rolling 5-year periods) versus a relative return investment strategy.

Mr. Kelly also serves as a member of PineBridge's Governance Committee and Management Committee and chairs PineBridge's Proxy Committee. Prior to joining PineBridge, he spent 15 years in various equity research and portfolio management roles at JPMorgan Investment Management. During his last five years at JPMorgan, he also chaired their US Asset Allocation Committee. Prior to that, he spent several years in economic research at the economic consulting firm Townsend-Greenspan & Co. He holds an MBA from the Wharton Graduate School of Business. He also is a CFA charterholder.

Ms. Jennifer Motz is the Global Head of Human Resources and her responsibilities include talent management, organizational development, leadership, coaching, staffing, compensation and employee relations. She is also responsible for the global program for diversity and inclusion across PineBridge. She has over 18 years of experience in human resources management for diversified financial services and insurance companies. Prior to joining PineBridge in 2008, she held human resources managerial positions with Tullett Prebon, AIG and Atlantic Mutual Insurance Company. Mrs. Motz holds a BS in Economics from the State University College at Oneonta and an MS in Industrial and Labor Relations from Baruch College.

Mr. Steven Oh, CFA is the Global Head of Credit and Fixed Income and Co-Head of Leveraged Finance for PineBridge. He is responsible for coordinating and overseeing PineBridge's global credit and fixed income strategies. Prior to joining PineBridge in 2000, Mr. Oh's investment experience included serving as Head of High Yield and Special Situation Investments at Citadel Investments, Head of Leveraged Finance at Koch Capital and Vice President of High Yield and Distressed Debt Trading at BancAmerica Securities. Other prior positions include Manager of Ernst & Young's Restructuring and Reorganization and Strategy Consulting Groups. Mr. Oh received a BS in Finance and Management from the Wharton Graduate School of Business at the University of Pennsylvania and an MBA in Finance from the Kellogg School of Northwestern University. He is a CFA charterholder.

Mr. Sergio Ramirez is the Head of Business Development for the Americas. He leads an institutional and intermediary sales team responsible for providing advisory guidance and product solutions for clients across the institutional spectrum. In this capacity, he also oversees the full complement of business development support functions including Consultant Relations, Client Relations, RFP Management, and Global Marketing & Communications. Mr. Ramirez joined PineBridge in 2000 and has played a significant role in growing PineBridge's business in the US, Canada and Latin America. He has also been responsible for implementing a business development strategy for the Asia ex-Japan region. Mr. Ramirez received a BS in Finance from St. John's University and an MBA in Finance and Management from the Fordham Graduate School of Business.

Mr. Klaus Schuster is the Chief Executive Officer for Europe and is responsible for developing and managing the region's growth and distribution strategy. He was previously Head of Business Development in Europe, and continues to also be responsible for intermediary and institutional business development efforts across the continent. Prior to joining PineBridge in 2001, he was a Senior Relationship Manager in International Private Banking at Bank Leu. Prior to that, he worked for Fidelity Investments where he was responsible for building up their Austrian business. He also held various positions at Fidelity Investments in the European Broker business. Mr. Schuster received a BA in Economics from the University of Augsburg, Germany and a German Masters diploma (Dipl. Kfm) in Banking, Finance and Business Management from the University of Augsburg. In addition, he also received the German Bankers certification (Bankkaufmann, IHK) from the German Industry and Trade Association.

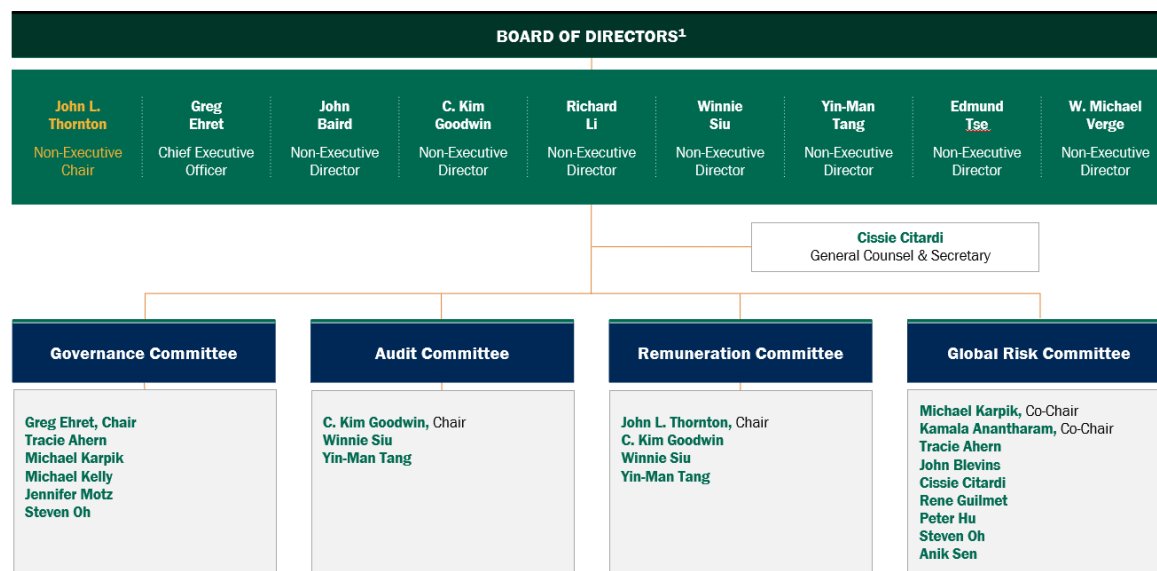
Mr. Anik Sen is the Global Head of Equities and a Portfolio Manager. He leads PineBridge's equities business, overseeing fundamental and quantitative strategies that are highly active with stock selection driving excess returns at similar risk to benchmark. Mr. Sen joined PineBridge in 2008, and is a member of PineBridge's Management, Global Risk and Proxy Committees. He has over 30 years of investment experience which includes leading successful investment teams in a number of leading financial institutions and was a ranked equity analyst. Prior to joining PineBridge, Mr. Sen was a Portfolio Manager at Brevan Howard, a Managing Director and Business Unit Leader at Goldman Sachs and a Managing Director at UBS Warburg. Earlier, he was an analyst at Fidelity Investments and began his career at Lloyds Bank International, serving in four countries. Mr. Sen holds an MBA from INSEAD.

Corporate Governance

The Group is governed by the Board of Bridge Holdings Company Limited, acting as general partner of the Issuer, and the Board's sub-committees.

The Issuer has established and implemented an effective corporate governance structure. It has set up four committees under the Board, namely the Governance Committee, the Audit Committee, the Remuneration Committee and the Global Risk Committee.

The table below sets forth governance structure of the Issuer as at the date of this Offering Circular:



¹ Board of Directors of the General Partner (Bridge Holdings Company Limited)

The primary duties of the committees are set forth as below:

The Governance Committee operates as an advisory Committee to the CEO on strategic matters, general management and governance. It is responsible for overseeing strategy, financial performance, investment performance, risk management, human capital, product and client management, capital expenditure, operations and communications.

The Audit Committee is primary responsible for overseeing the integrity of the Group's accounting and financial reporting process and systems of disclosure controls and procedures, including internal controls regarding accounting, regulatory and legal compliance. The Audit Committee also oversees the performance of the independent auditor's and the Group's internal audit function.

The Remuneration Committee is primary responsible for overseeing the implementation and administration of formal and transparent procedures relating to the remuneration policies of the Group and providing effective oversight and administration of the group's equity compensation program.

The Global Risk Committee is responsible for the oversight of the Issuer's risk management process and is composed of representatives from senior management, legal, compliance, investment management, risk management, finance and operations. The role of the Global Risk Committee is to provide assurance to the management committee and the Board that an effective risk management and internal control structure is implemented, maintained, and fully embedded in the Group.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It is emphasised that neither the Issuer nor any other persons involved in the offering of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.

CAYMAN ISLANDS

Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands, and no withholding will be required on the payment of interest and principal to any holder of the Notes nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands. Stamp duty will be payable on any documents executed by the Issuer if any such documents are executed in or brought into the Cayman Islands or produced before the Cayman Islands courts.

The Issuer is registered as an “exempted limited partnership” pursuant to the ELP Law. The Issuer has received an undertaking from the Government of the Cayman Islands to the effect that, for a period of 50 years from the date of the undertaking:

1. no law thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Issuer, or to any partner thereof, in respect of the operations or assets of the Issuer or the partnership interest of a partner therein; and
2. in addition, that no tax in the nature of estate duty or inheritance tax shall be payable in respect of the obligations of the Issuer the partnership interest of a partner therein.

The General Partner is registered as an “exempted company” pursuant to the Companies Law (as amended). The General Partner has received an undertaking from the Government of the Cayman Islands to the effect that, for a period of twenty years from the date of the undertaking:

1. no law thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the General Partner or its operations; and
2. in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (a) on or in respect of the shares, debentures or other obligations of the General Partner; or
 - (b) by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**Inland Revenue Ordinance**”) as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, professional or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the distribution is received or accrues are made available outside of Hong Kong; or
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong; or
- (iii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person other than a company (such as a partnership), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Gains or profits derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sums are revenue in nature and have a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Notes will be subject to profits tax.

Stamp Duty

No stamp duty is payable upon the issue or transfer of a Note.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (THE “FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one

party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Hongkong and Shanghai Banking Corporation Limited, UBS AG Hong Kong Branch, Standard Chartered Bank, Mizuho Securities Asia Limited and BNP Paribas have, pursuant to a Subscription Agreement dated 6 September 2019 among the Issuer and the Joint Lead Managers, agreed severally and not jointly with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Notes at the Issue Price (100 per cent. of their principal amount). Any subsequent offering of the Notes to investors may be at a price different from the Issue Price. The Issuer has agreed to pay the Joint Lead Managers certain fees and an underwriting commission, to reimburse the Joint Lead Managers for certain of their expenses in connection with the initial sale and distribution of the Notes and to indemnify the Joint Lead Managers against certain liabilities in connection with the offering and sale of the Notes. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Lead Managers or any affiliate of theirs is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by them or such affiliate on behalf of the Issuer in such jurisdiction.

The Joint Lead Managers and certain of their affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution. The Joint Lead Managers and their respective affiliates may also purchase the Notes for their own accounts. In the ordinary course of their various business activities, the Joint Lead Managers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity as investment advisers) a broad array of investments and actively traded debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve the Notes or other securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, may be entered into at the same time in the secondary market and may be carried out with counterparties that are also purchasers, holders or sellers of the Notes.

Certain private banks will be paid a commission in connection with the distribution of the Notes to their clients, which will be based on the principal amount of the Notes so distributed.

Pacific Century Group is expected to subscribe for U.S.\$100 million of the aggregate principal amount of the Notes.

OTHER RELATIONSHIPS

The Joint Lead Managers and their affiliates are full service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Joint Lead Managers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time.

UNITED STATES

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United

States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

UNITED KINGDOM

Each of the Joint Lead Managers has represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Each of the Joint Lead Managers has represented, warranted and undertaken that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
- (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

HONG KONG

Each of the Joint Lead Managers has represented, warranted and undertaken that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571)

of Hong Kong (the “SFO”) and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

SINGAPORE

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Lead Managers has represented, warranted and undertaken that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or

- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”), and accordingly, each Joint Lead Manager has represented, warranted and undertaken that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

THE CAYMAN ISLANDS

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes and no such limitation is made hereby. Each Joint Lead manager has represented, warranted and undertaken that the public of the Cayman Islands will not be invited to subscribe for the Notes.

GENERAL INFORMATION

1. **Clearing Systems:** The Notes have been accepted for clearance through Euroclear and Clearstream. The securities codes for the Notes are as follows:

Common Code: 204981418

ISIN: XS2049814184

The Legal Entity Identifier of the Issuer is 549300KTUGYZQE1JKI75.

2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a meeting of the board of directors of Bridge Holdings (being the General Partner of the Issuer), held on 2 September 2019 in New York.
3. **Listing of the Notes:** Approval in-principle has been received for the listing of and quotation for the Notes on the official list of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission of the Notes to the official list of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, its subsidiaries, its associated companies or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as the Notes are listed and quoted on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for definitive certificates. In addition, in the event that a Global Certificate is exchanged for definitive certificates, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the paying agent in Singapore.

4. **No Material Adverse Change:** There has been no material adverse change in the financial or trading position or prospects of the Issuer since 31 December 2018.
5. **Litigation:** The Issuer is not involved in any governmental, legal or arbitration proceeding that is material in the context of the issue of the Notes, and the Issuer is not aware that any such proceedings are pending or threatened.
6. **Available Documents:** Copies of the latest annual report and the most recently published consolidated financial statements of the Issuer may be obtained free of charge, and copies of the Agency Agreement (which includes the form of the Global Note Certificate) and the Deed of Covenant will be available for inspection at the specified office of the Fiscal Agent at Level 30, HSBC Main Building, 1 Queen's Road Central, Hong Kong, Issuer Services during normal business hours, so long as any of the Notes is outstanding. The General Partner may, at any time on five (5) days prior notice to all partners, change the location of the Issuer's registered office within the Cayman Islands or change the registered agent.
7. **Auditor:** The audited consolidated financial statements of the Issuer for the years ended 31 December 2017 and 31 December 2018 have been audited by Ernst & Young LLP, Certified Public Accountants.

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Audited Financial Statements of the Issuer for the year ended 31 December 2018

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PineBridge Investments, L.P. and Subsidiaries
Consolidated Financial Statements December 31, 2018





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ey.com

Report of Independent Auditors

To the Board of Directors of PineBridge Investments, L.P.:

We have audited the accompanying consolidated financial statements of PineBridge Investments, L.P. and its subsidiaries, which comprise the consolidated statements of financial condition as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income (loss), changes in partners' capital, and cash flows for the each of the three years in the period ended December 31, 2018, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of PineBridge Investments, L.P. and its subsidiaries at December 31, 2018 and 2017, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2018 in conformity with U.S. generally accepted accounting principles.



Supplemental Consolidating Financial Statements

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of PineBridge Investments, L.P. and its subsidiaries as of December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018, as a whole. The accompanying unaudited supplemental consolidating statements of financial condition as of December 31, 2018 and 2017 and consolidating statements of operations for the each of the three years in the period ended December 31, 2018, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, accordingly, we express no opinion on it.

Ernst + Young LLP

May 21, 2019

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(DOLLARS IN THOUSANDS)

	<u>December 31,</u>	<u>December 31,</u>
	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 115,103	\$ 92,238
Investments (see Note 3)	303,773	351,020
Assets of Consolidated Funds		
Cash and cash equivalents	220,491	433,864
Investments, at fair value	4,333,432	3,589,130
Receivables and other assets	45,485	50,525
Receivables, net		
Fees receivable, net	51,305	61,770
Other receivables	10,515	23,214
Due from affiliate	30,000	-
Furniture, fixtures and leasehold improvements, net	16,387	20,249
Intangible assets, net	36,309	45,846
Prepaid expenses and other assets	18,315	24,524
Deferred tax assets	3,123	2,967
Total Assets	<u>\$5,184,238</u>	<u>\$4,695,347</u>
Liabilities and Partners' Capital		
Liabilities		
Loans payable	\$ 370,150	\$ 265,916
Loans under repurchase agreements	70,252	44,348
Liabilities of Consolidated Funds		
Notes and loans payable, at fair value	4,141,536	3,443,451
Other liabilities	196,957	428,785
Accrued compensation and benefits	131,320	157,148
Accrued expenses and other payables	31,929	36,068
Other liabilities	19,054	30,095
Deferred tax liabilities	1,363	1,850
Total Liabilities	<u>4,962,561</u>	<u>4,407,661</u>
Commitments and Contingencies (Note 15)		
Partners' Capital		
Partners' capital	157,067	211,895
Accumulated other comprehensive income	6,057	8,033
Non-controlling interests in Consolidated Funds	43,148	47,554
Non-controlling interests in PineBridge	15,405	20,204
Total Partners' Capital	<u>221,677</u>	<u>287,686</u>
Total Liabilities and Partners' Capital	<u>\$5,184,238</u>	<u>\$4,695,347</u>

The accompanying notes are an integral part of these consolidated financial statements.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(DOLLARS IN THOUSANDS)

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Revenues:			
Investment advisory fees	\$ 284,672	\$ 290,046	\$ 274,062
Performance fees	(7,061)	18,650	46,651
Other revenues	3,324	2,353	3,505
Total Revenues	280,935	311,049	324,218
Operating Expenses:			
Compensation and benefits	210,907	220,751	221,201
Rent and occupancy	14,029	13,439	14,193
Depreciation and amortization	17,143	18,796	28,083
Professional fees	12,135	11,685	13,981
Distribution, placement, and brokerage fees	42,808	46,541	44,643
Sub-advisory fees	11,303	14,360	10,594
Information technology and services	23,691	22,916	25,009
General, administrative and other	36,055	36,257	38,022
Restructuring charges	-	125	3,561
Total Operating Expenses	368,071	384,870	399,287
Other Income:			
Income from Consolidated Funds			
Net gains from investment activities	11,943	43,361	38,380
Other income	4,312	3,462	6,447
Other expenses	(18,418)	(17,921)	(8,958)
Interest income	2,356	2,538	2,242
Interest expense	(18,573)	(12,176)	(9,926)
Income (loss) from investments	12,215	53,253	21,335
Foreign exchange and other income (loss)	(4,196)	6,945	(655)
Total Other Income (Loss)	(10,361)	79,462	48,865
Income (Loss) Before Income Tax Provision	(97,497)	5,641	(26,204)
Income tax provision (benefit)	5,723	4,246	11,312
Net Income (Loss)	(103,220)	1,395	(37,516)
Less - Net income (loss) attributable to non-controlling interests in Consolidated Funds	(2,752)	5,485	4,477
Less - Net income attributable to non-controlling interests in PineBridge	2,584	3,911	2,129
Net (Loss) Attributable to PineBridge	\$ (103,052)	\$ (8,001)	\$ (44,122)

The accompanying notes are an integral part of these consolidated financial statements.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(DOLLARS IN THOUSANDS)

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Net Income (Loss)	\$ (103,220)	\$ 1,395	\$ (37,516)
Other comprehensive income (loss):			
Foreign currency translation adjustment	(1,976)	755	(11,475)
Unrealized gains (losses) on available for sale investment securities, net of tax	-	-	(2)
Total other comprehensive income (loss)	(1,976)	755	(11,477)
Comprehensive Income (Loss)	(105,196)	2,150	(48,993)
Less: Comprehensive income attributable to non-controlling interests in Consolidated Funds	(2,752)	5,485	4,477
Less: Comprehensive income (loss) attributable to non-controlling interests in PineBridge	2,584	3,911	2,129
Comprehensive (Loss) Attributable to PineBridge	\$ (105,028)	\$ (7,246)	\$ (55,599)

The accompanying notes are an integral part of these consolidated financial statements.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(DOLLARS IN THOUSANDS)

	Partners' capital	Accumulated other comprehensive income	Non-controlling interests in Consolidated Investment Funds	Non- controlling interests in PineBridge	Total partners' capital
Balance at December 31, 2015	\$ 225,310	\$ 18,755	\$ 63,045	\$ 22,130	\$ 329,240
Equity based compensation	2,390	-	-	-	2,390
Capital contributions	30,000	-	2,616	4,541	37,157
Capital distributions	(1,232)	-	(8,325)	(7,694)	(17,251)
Foreign currency translation adjustment	-	(11,475)	-	-	(11,475)
Unrealized holding loss on investments, net of tax	-	(2)	-	-	(2)
Net (loss) income for the period	(44,122)	-	4,477	2,129	(37,516)
Balance at December 31, 2016	\$ 212,346	\$ 7,278	\$ 61,813	\$ 21,106	\$ 302,543
Sale of entity	-	-	-	(1,720)	(1,720)
Equity based compensation	8,201	-	-	-	8,201
Capital contributions	-	-	2,594	1,556	4,150
Capital distributions	(651)	-	(22,338)	(4,649)	(27,638)
Foreign currency translation adjustment	-	755	-	-	755
Net (loss) income for the period	(8,001)	-	5,485	3,911	1,395
Balance at December 31, 2017	\$ 211,895	\$ 8,033	\$ 47,554	\$ 20,204	\$ 287,686
Consolidation or Deconsolidation of Funds/Entities	952	-	-	-	952
Equity based compensation	14,454	-	-	-	14,454
Capital contributions	32,818	-	2,350	-	35,168
Capital distributions	-	-	(4,004)	(7,383)	(11,387)
Foreign currency translation adjustment	-	(1,976)	-	-	(1,976)
Net (loss) income for the period	(103,052)	-	(2,752)	2,584	(103,220)
Balance at December 31, 2018	\$ 157,067	\$ 6,057	\$ 43,148	\$ 15,405	\$ 221,677

The accompanying notes are an integral part of these consolidated financial statements.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities			
Net (loss) income	\$ (103,220)	\$ 1,395	\$ (37,516)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Consolidated Funds related:			
Net losses (gains) on investments	16,526	6,980	(114,873)
Income received in-kind	(3,865)	(3,897)	(4,111)
Amortization of discount on corporate loans	(3,231)	(41,098)	71,230
Total net realized and unrealized (gains) losses	<u>9,430</u>	<u>(38,015)</u>	<u>(47,754)</u>
Net investments transferred out due to changes in fund consolidations	-	322,361	-
Depreciation and amortization	17,143	18,796	28,083
Equity-based compensation	14,454	5,445	4,357
Income from investments	(12,215)	(53,253)	(37,510)
Change in unrealized carried interest	60,909	7,774	2,222
Change in deferred taxes	(643)	(175)	4,831
Foreign exchange and other unrealized (income) loss	4,196	(6,945)	(450)
Cash flows due to changes in operating assets and liabilities:			
Fees receivable, net	8,729	8,782	3,554
Other receivables	12,976	3,089	(10,645)
Prepaid expenses and other assets	6,209	(15,660)	1,253
Accrued compensation and benefits	(25,828)	5,926	4,500
Accrued expenses and other payables	(4,139)	(2,097)	(9,263)
Due to affiliates	-	(818)	(256)
Other liabilities	(11,041)	324,049	(191,760)
Consolidated Funds related:			
Investments purchased	(4,041,820)	(3,504,703)	(1,696,009)
Cash proceeds from sales of investments and pay downs of corporate loans	3,046,240	2,586,364	1,852,296
Other liabilities	(231,828)	-	-
Receivables and other assets	5,040	-	-
Net cash (used in) provided by operating activities	<u>(1,245,408)</u>	<u>(337,685)</u>	<u>(130,067)</u>

The accompanying notes are an integral part of these consolidated financial statements.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Cash Flows From Investing Activities			
Investment transactions, net	785	(3)	11,708
Purchases of furniture, fixtures and leasehold improvements	(3,327)	(3,278)	(3,690)
Net cash (used in) provided by investing activities	<u>(2,542)</u>	<u>(3,281)</u>	<u>8,018</u>
Cash Flows From Financing Activities			
Proceeds from loan payable and notes payable in Consolidated CLO Vehicles	2,751,087	971,697	614,146
Proceeds from loan payable	104,234	29,916	3,000
Proceeds from loans under repurchase agreements	25,904	33,242	11,106
Repayment of loan due to affiliates	-	-	(2,167)
Capital distributions	-	(651)	(1,232)
Capital contributions	-	30,000	50,000
Repayments of notes payable in Consolidated CLO Vehicles	(1,816,844)	(381,594)	(658,616)
Distributions/redemptions paid to non-controlling interests in Consolidated Funds	(4,004)	(22,338)	2,616
Contributions from non-controlling interest holders in Consolidated Funds	2,350	2,594	(8,325)
Distributions to the non-controlling interest holders in PineBridge	(7,383)	(4,649)	(7,694)
Contributions from non-controlling interest holders in PineBridge	-	1,556	4,541
Net cash provided by financing activities	<u>1,055,344</u>	<u>659,773</u>	<u>7,375</u>
Effect of foreign currency exchange rate changes on cash	2,098	6,355	(1,102)
Net (Decrease) Increase in Cash and Cash Equivalents	(190,508)	325,162	(115,776)
Cash and cash equivalents, beginning of the period	526,102	200,940	316,716
Cash and cash equivalents, end of the period	<u>\$ 335,594</u>	<u>\$ 526,102</u>	<u>\$ 200,940</u>
Supplemental Disclosure of Cash Flow Information			
Cash paid during the period for:			
Interest	\$ 158,964	\$ 133,807	\$ 167,004
Income taxes	<u>\$ 5,241</u>	<u>\$ 3,520</u>	<u>\$ 5,595</u>
Supplemental Disclosure of Non-Cash Operating Activities			
Equity based compensation for Fully Paid Units	<u>\$ 2,818</u>	<u>\$ 2,756</u>	<u>\$ -</u>
Supplemental Disclosure of Non-Cash Investing Activities			
Retirements of furnitures, fixtures and leasehold improvements	<u>\$ 235</u>	<u>\$ 1,336</u>	<u>\$ 3,212</u>

The accompanying notes are an integral part of these consolidated financial statements.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

1. ORGANIZATION AND BUSINESS DESCRIPTION

PineBridge Investments, L.P. (a Cayman Islands partnership), together with its subsidiaries, (“PineBridge” or the “Company”) is a group of international companies that provides investment advice and markets asset management products and services to clients around the world.

PineBridge’s equity investment professionals offer its clients an extensive range of active equity investment strategies that span geographies, market capitalizations, industry sectors and investment styles. The Company provides fixed income investment strategies and funds globally, including leveraged finance products such as collateralized loan obligation (“CLO”) vehicles, and U.S. investment grade, global emerging markets, and international bond products. In addition, PineBridge’s global mutli-asset team manages dynamic asset allocation strategies that enable clients to diversify their portfolios by allocating them across a broad range of PineBridge and third-party managed equity, fixed income and alternative investment strategies. The Company has alternative investment capabilities in both developed and emerging markets spanning alternative asset classes globally, including private equity funds, direct hedge funds, funds of funds, and separately managed accounts. PineBridge also manages a variety of fund vehicles across the globe, including global funds, Taiwan funds, and Japan funds.

PineBridge member companies provide investment management and advisory services. The Company has offices in approximately 20 countries, but its principal operating subsidiaries are located in the United States, the United Kingdom, Japan, Hong Kong, and Taiwan. A majority of the Company’s partnership interests are owned by Pacific Century Group (“PCG”), an Asia-based investment company.

PineBridge Investments, L.P.’s consolidated financial statements include its wholly-owned subsidiaries and subsidiaries that it controls through a majority voting interest or otherwise. In addition, PineBridge’s consolidated financial statements include PineBridge investment funds, which include private equity funds and collective investment trusts (collectively, the “Consolidated Investment Funds”) and CLO vehicles that require consolidation under accounting principles generally accepted in the United States of America (“GAAP”); see *Note 7, Consolidated Funds and Variable Interest Entities*. All significant assets and liabilities of these consolidated CLO vehicles and Consolidated Investment Funds (collectively referred to as “Consolidated Funds”) are separately disclosed in the Consolidated Statements of Financial Condition, and net gains and losses from the Consolidated Funds’ investments, including interest and dividends, are separately disclosed in the Consolidated Statements of Operations.

The Company sold its interests in PineBridge Investments Korea, Ltd. and PineBridge Investments Company East Africa Limited during 2017. They were not considered core to its operations as they generated 1% of the total revenue and comprised 2% of the total operating assets. The Company recorded a gain on sale of \$19.8 million in Income (loss) from investments for these transactions in 2017. As of December 31, 2017, the Company had \$1.4 million of restructuring charges payable which was primarily related to the sale of PineBridge Investments Korea, Ltd. All of these restructuring charges have been paid during 2018 and there were no restructuring expenses incurred in 2018.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with GAAP and are stated in U.S. dollars.

Certain reclassifications have been made to prior period amounts to conform to the current year presentation.

The consolidated financial statements have been prepared on a going concern basis consistent with management's expectation that the Company has adequate financial resources to continue operations.

In evaluating the Company's ability to continue as a going concern, management considered the conditions and events that could raise substantial doubt about the Company's ability to continue as a going concern within 12 months after the Company's financial statements are issued (May 21, 2019). Management considered the Company's current financial condition and liquidity sources, including current funds available, forecasted future cash flows and the Company's conditional and unconditional obligations due before May 21, 2020.

The Company's operating entities have incurred net losses of \$100.5 million, \$4.1 million and \$42.0 million for the years ended December 31, 2018, 2017 and 2016, respectively. The strategy outlined by its Chief Executive Officer includes a Company operating plan to improve operations. As of December 31, 2018, the Company had \$115.1 million of cash and cash equivalents on its balance sheet, \$34.8 million of which is restricted, and has \$49.0 million available to be drawn on its \$300.0 million credit facility maturing in February 2022.

At December 31, 2018, PineBridge violated one of the financial covenants for its credit facility (refer to Note 10). On February 1, the Company notified the lenders that it obtained a \$20 million subscription agreement from its majority shareholder to remedy the financial covenant violation. In the instance that PineBridge is unable to maintain compliance with its credit facility covenants which results in a need for additional funding, the majority shareholder has agreed to provide sufficient funding so that PineBridge is able to comply with its credit facility covenants for at least 12 months from the date the financial statements were issued. The Company's majority shareholder has demonstrated its continued support of its operations over the years, most recently contributing \$30 million, \$30 million and \$50 million in capital in 2019, 2017 and 2016, respectively. The Company will continue to evaluate potential transactions to improve its capital structure and address its liquidity constraints.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates and assumptions are based on the best available information, actual results could be materially different from those estimates.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

Principles of Consolidation

The Company consolidates all entities that it controls through a majority voting interest or otherwise, including those funds that are limited partnerships in which the general partner has a controlling financial interest in accordance with guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) ASC Subtopic 810-20 *Control of Partnerships and Similar Entities* and Accounting Standards Updates (“ASU”) ASU 2015-02 *Amendments to Consolidation Analysis* (ASU 2015-02). Refer to *Note 7. Consolidated Funds and Variable Interest Entities* (“VIEs”) for further disclosure.

In October 2016, the FASB issued ASU 2016-17, *Interests Held Through Related Parties that are Under Common Control* (“ASU 2016-17”), which indicates that a decision maker will consider an indirect interest held by a related party under common control on a proportionate basis. In 2017, the Company adopted ASU 2016-17, which was also applied retrospectively, did not have significant impact.

In October 2018, the FASB issued ASU 2018-17, *Targeted Improvements to Related Party Guidance for Variable Interest Entities* (“ASU 2018-17”), which changes how all entities evaluate decision-making fees under the variable interest entity guidance. To determine whether decision-making fees represent a variable interest, an entity will now consider indirect interests held through related parties under common control on a proportionate basis, rather than in their entirety. ASU 2018-17 also allows a private company to elect not to apply VIE guidance to legal entities under common control (including common control leasing arrangements) if both the parent and the legal entity being evaluated for consolidation are not public business entities. A private company needs to make an accounting policy election to apply this accounting to all current and future legal entities under common control that meet the criteria for applying this alternative. The standard is effective for the Company for periods beginning after December 15, 2020 and early adoption is permitted. The Company has elected to early adopt ASU 2018-17 for the year ended December 31, 2018. The Company has not made the private company election described above. This adoption does not currently affect the financial statements.

PineBridge also consolidates variable interest entities (“VIEs”) in which it is the primary beneficiary in accordance with ASC Subtopic 810-10 *Variable Interest Entities*. An enterprise is determined to be the primary beneficiary if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly impact the entity's business, and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The consolidation guidance requires an analysis to (a) determine whether an entity in which the Company holds a variable interest is a VIE and (b) whether the Company's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (e.g., certain management and performance related fees), would give it a controlling financial interest. The performance of these analyses requires the exercise of judgment. The Company was the primary beneficiary under the prior consolidation principles if it had a variable interest, or a combination of variable interests, that will either (i) absorb a majority of the VIE's expected losses; (ii) receive a majority of the VIE's expected residual returns; or (iii) both. To determine if the Company is the primary beneficiary of a VIE, the Company reviews, among other factors, the VIE's design, capital structure, contractual terms, whether interests create or absorb variability and related party relationships, if any. VIEs may include mutual funds, hedge funds, private equity funds, structured products, collective investment trusts and limited partnerships. Refer to *Note 7. Consolidated Funds and Variable Interest Entities*.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

In accordance with the preceding paragraphs, PineBridge consolidates certain CLO vehicles and Consolidated Investment Funds. CLO vehicles that PineBridge consolidates are referred to as “Consolidated CLO Vehicles”.

The Consolidated Investment Funds are accounted for as investment companies under the ASC Topic 946, Financial Services Investment Companies, and reflect their investments, including majority-owned and controlled investments, at fair value. PineBridge has retained the specialized accounting for the Consolidated Investment Funds.

Additionally, the Consolidated CLO Vehicles utilize the fair value option in accordance with ASC 825-25 to record their investments and beneficial interest at fair value. The Consolidated CLO Vehicles have also adopted ASU 2014-13, Measuring the Financial Assets and the Financial Liabilities of a consolidated Collateralized Financing Entity (“ASU 2014-13”), which allows the assets or liabilities to be measured at fair value under the fair value option using the more observable assets or liabilities. Thus, the Consolidated Funds’ investments are reflected in *Investments, at fair value* on the Consolidated Statements of Financial Condition at fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of *Income from Consolidated Funds, Net gains (losses) from investment activities* in the Consolidated Statements of Operations.

All intercompany transactions and balances have been eliminated in the consolidated financial statements.

Non-Controlling Interests

For entities that are consolidated, but not 100% owned, a portion of the income or loss and corresponding partners’ capital is allocated to owners other than PineBridge. The aggregate of the income or loss and corresponding partners’ capital that is not owned by the Company is included within *Net income attributable to non-controlling interests in Consolidated Funds* and *Net income (loss) attributable to non-controlling interests in PineBridge* in the consolidated financial statements.

GAAP requires reporting entities to present non-controlling interests as equity (as opposed to a liability or mezzanine equity) and provides guidance on the accounting for transactions between an entity and non-controlling interests. The Company follows this guidance and as a result, (1) non-controlling interests are presented as a separate component of partners’ capital on the Company’s Consolidated Statements of Financial Condition, (2) Net income includes the net income attributed to the non-controlling interest holders on the Company’s Consolidated Statements of Operations, and (3) profits and losses are allocated to non-controlling interests in proportion to their ownership interests.

Non-controlling interests in PineBridge primarily represent ownership interests held by current and former employees or other third parties in certain general partner entities of private equity funds or other subsidiaries. Non-controlling interests in Consolidated Funds represent the equity of the Consolidated Investment Funds held by other third party investors.

Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand, cash held in banks and liquid investments of sufficient credit quality with original maturities of 90 days or less. Cash equivalents are classified as Level 2 in the fair value hierarchy.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

Cash and cash equivalents included time deposits of approximately \$26.2 million and \$1.2 million at December 31, 2018 and 2017, respectively, which are deposits with a duration to maturity of 90 days or less.

In addition, at December 31, 2018 and 2017, respectively, \$51.5 million and \$85.4 million of cash and \$169.0 million and \$348.5 million of cash equivalents were held by Consolidated Funds in cash accounts and money market funds which are highly liquid and payable on demand. Such amounts are not available to fund the general liquidity needs of PineBridge.

Cash and cash equivalents may include balances which generally exceed insured limits that are subject to the risk that the financial institutions may be unable to fulfill their obligations.

Cash and cash equivalents include \$9.5 million and \$4.6 million at December 31, 2018 and 2017, respectively, that the Company is restricted to use to settle obligations due to various agreements and is held in escrow accounts. Additionally, certain amounts are restricted to the Company due to regulatory issues and are disclosed in *Note 16, Capital Requirements*.

Investments

Equity Method Investments

For entities over which the Company exercises significant influence but which do not meet the requirements for consolidation, the Company uses the equity method of accounting. Under the equity method of accounting, the Company's share of the investee's underlying earnings or (losses) is recorded as *Income (loss) from investments* in the Consolidated Statements of Operations. The carrying amounts of equity method investments are reflected within *Investments* in the Consolidated Statements of Financial Condition. Equity method investments include a 49% ownership interest in Huatai-PineBridge Fund Management Co., a China-based joint venture, and PineBridge's general partner interests in these funds.

The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. The difference between the carrying value of the equity method investment and its estimated fair value is recognized as an impairment when the loss in value is deemed other than temporary. There have been no such impairments.

Investments and certain liabilities, at Fair Value

Investments held by PineBridge operating entities include investments in non-consolidated CLOs, investments in collective investment trusts, time deposits with maturities of more than ninety days and other investments in liquid funds ("Time Deposits and other short term investments"), all of which are reported at fair value.

Investments held by Consolidated Investment Funds which are presented at fair value, with realized and unrealized gains and losses resulting from changes in fair value included in the Consolidated Statements of Operations, and where applicable, offset by the corresponding gain or loss on related foreign currency denominated assets and

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

liabilities. Fair value is the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

In addition, PineBridge has elected the fair value option for corporate bonds, corporate loans and notes and loans payable of the assets and liabilities of the Consolidated CLO Vehicles. Such election is irrevocable and is applied on an investment by investment basis at initial recognition. PineBridge has applied the fair value option for the corporate loans and other investments held by these vehicles and their debt securities that otherwise would not have been carried at fair value. In accordance with ASU 2014-13, the debt securities and beneficial interests of the CLO vehicles are measured at fair value using the more observable assets to determine the fair value of these liabilities. The methodology for measuring the fair value of such investments is consistent with the methodology applied to private equity and hedge funds investments. Refer to *Note 5, Fair Value Option* for further disclosure on instruments for which the fair value option has been elected.

Fair Value of Financial Instruments

The Company follows GAAP attributable to fair value measurements, which, among other things, requires enhanced disclosure about investments that are measured and reported at fair value. Fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, in an orderly transaction between market participants at the measurement date (i.e., the exit price).

GAAP establishes a hierarchal disclosure framework that prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. In accordance with GAAP, investments measured and reported at fair value are classified and disclosed based on observability of inputs used in the determination of fair values in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 include listed equities and listed derivatives. As required by GAAP, the Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and the sale of such position would likely deviate from the quoted price.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include fixed income securities and Time Deposits and other short term investments.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs used in the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include general and limited partner interests and non-investment grade residual interests in securitizations.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

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In determining valuation adjustments resulting from the investment review process, emphasis is placed on current performance of the company to which the security relates and market conditions. In general, when investments are listed on an established securities exchange or traded in the over-the-counter market and there is an active trading market for the stock, the Company values them at the closing sales price on the principal exchange on which the security is traded. When such prices are not available, the Company values securities at the average of the most recently available closing bid and ask price. Publicly traded securities that are restricted and/or encumbered may be valued at a discount from listed market prices as determined by the general partner of the fund. Discounts are determined after consideration of all pertinent information, including available market prices, types of securities, marketability, restrictions on disposition, effect of any encumbrances, current financial position, operating results of the companies to which the securities relate and other appropriate information.

Level 2 Valuation

Financial instruments classified within Level 2 of the fair value hierarchy comprise debt instruments, including corporate loans held by the Company's Consolidated CLO Vehicles, certain marketable investments held by Consolidated Investment Funds, select cash equivalents, Time Deposits and other short term investments. Notes payable of Consolidated CLO Vehicles are classified based on the more observable fair value of CLO assets less the fair value of any beneficial interests held by PineBridge. Therefore, notes payable of Consolidated CLO Vehicles are classified within Level 2.

The fair values of financial instruments classified within Level 2 are generally determined on the basis of prices between the market participants provided by the reputable dealers or pricing services that, in the judgment of management, are deemed to be reflective of fair value. For loans where no active market exists management uses its best estimate in determining fair value using various valuation methodologies. These methodologies include evaluating comparable instruments (based on collateral composition, rating, and performance) as well as analysis of the particular instrument against others above it or below it in the capital structure.

Level 3 Valuation

Financial instruments classified within Level 3 of the fair value hierarchy include certain investments of Consolidated Investment Funds and non-consolidated CLOs.

In the absence of observable market prices, the Company values its investments using valuation methodologies applied on a consistent basis. For some investments, little market activity may exist; management's determination of fair value is then based on the best information available in the circumstances and may incorporate management's assumptions and involves a significant degree of judgment, taking into consideration a combination of internal and external factors, including appropriate risk adjustments for non-performance and liquidity risks. Investments for which market prices are not observable include private investments in the equity of operating companies. While the valuations of these investments are based on assumptions that the Company believes are reasonable under the circumstances, the actual realized gains or losses for each investment will depend on, among other factors, future operating results of the investee company, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based.

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The valuation of non-public private equity investments requires significant management judgment due to the absence of quoted market prices, inherent lack of liquidity, and the long-term nature of such investments. The fair value of privately held investments or public investments for which there is no active trading market, have been determined by the general partner or investment manager of the fund. Fair value is determined by taking into consideration the cost of securities, prices of recent third party transactions, developments subsequent to acquisition concerning the companies to which the securities relate, any financial data or projections of such companies provided to the fund, the valuations performed and such other factors as the general partner of the fund may deem relevant.

Investments in non-consolidated CLOs are valued by obtaining the performance data from an industry standard tool for analysis of structured securities and performing a discounted cash flow analysis using spreads from primary and secondary markets in combination with publish broker dealer research reports. Adjustments are made to the spreads for certain tranches if their characteristics deviate from generic benchmark deals. Such characteristics may include, but are not limited to, collateral composition, credit performance, deal structure, issuance date, weighted average life, convexity, prepayment forecasts, recovery rate and diversification of collateral.

Level 3 Valuation Process

Investments classified within Level 3 of the fair value hierarchy are valued taking into consideration any changes in the Company's weighted average cost of capital assumptions, discounted cash flow projections and exit multiple assumptions, as well as any changes in economic and other relevant conditions, and valuation models are updated accordingly.

The valuation of investments classified within Level 3 of the fair value hierarchy are prepared on a quarterly basis and are subject to management oversight and review. In connection with this process, valuation models are updated by the investment professionals based on historical and projected financial information, observable market data, market liquidity, indications from deal sponsors and other factors. Valuation results are assessed in light of industry trends, general economic and market conditions and factors specific to each investment. On a semi-annual basis, the Consolidated Investment Funds' Level 3 valuation methodology as well as select investment valuations are reviewed by members of PineBridge's Global Valuation Committee ("GVC"). The GVC is ultimately responsible for coordinating and implementing the Company's and Consolidated Investment Funds' valuation policies, guidelines and processes.

Fees Receivable

Fees receivable, net are primarily advisory and performance fees receivable based on predetermined percentages of the market value of the assets under management ("AUM") and are recognized over the period in which the services are performed. Uncollected realized carried interest amounts are also included in this account. Allowances for doubtful accounts related to advisory and performance fees, including realized carried interest, are determined through analysis of the aging of receivables, assessments of collectability based on historical trends and other qualitative and quantitative factors, including PineBridge's relationship with the client, the financial health (or ability to pay) of the client, current economic conditions and whether the account is closed or active. Amounts determined to be uncollectible are charged directly to *Investment advisory fees* or *Performance fees* in the Consolidated Statements of Operations.

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Furniture, Fixtures and Leasehold Improvements

Furniture, fixtures and leasehold improvements, net consist primarily of ownership interests in leasehold improvements, furniture, fixtures and equipment, computer hardware and software and are recorded at cost, net of accumulated depreciation or amortization. Depreciation and amortization are calculated using the straight-line method over the assets' estimated useful lives. Leasehold improvements are amortized on a straight line basis over the lesser of the remaining life of the related office lease or the expected useful life of the assets. Expenditures for repairs and maintenance are charged to expense when incurred. The Company evaluates long lived assets for impairment periodically and whenever events or changes in circumstances indicate the carrying amounts of the assets may not be recoverable.

Equipment under capital leases is initially recorded at an amount equal to the present value of future minimum lease payments computed on the basis of our incremental borrowing rate or, when known, the interest rate implicit in the lease. Depreciation of equipment under capital leases is on a straight-line basis over the expected useful life and is included in *Depreciation and amortization expense*.

Intangible Assets

Intangible assets, net consist principally of investment contracts, customer relationships and a trade name and are reported net of amortization. Intangible assets are amortized over the estimated useful lives, using the straight-line method, unless the asset is determined to have an indefinite useful life. Investment contracts and customer relationships are amortized over the expected life of the contract or relationship. The value of the trade name is classified as indefinite-life intangible. The assignment of indefinite lives to the trade name is based on the assumption that they are expected to generate cash flows indefinitely. Indefinite-lived intangible assets are reviewed for impairment at least annually, or more frequently if circumstances indicate an impairment may have occurred.

The fair value and remaining useful lives of finite-lived intangible assets are reviewed annually or more frequently to determine if circumstances exist which may indicate a potential impairment. If such indicators exist, the Company compares the undiscounted cash flows related to the asset to the carrying value of the asset or asset group. If the carrying value is greater than the undiscounted cash flow amount, an impairment charge is recorded in the Consolidated Statements of Operations for amounts necessary to reduce the carrying value of the asset to fair value.

Revenue Recognition

Revenues primarily consist of investment advisory and performance fees.

Investment advisory fees - *Investment advisory fees* are derived from fees for investment management and advisory services provided to private equity funds, hedge funds, funds of funds and CLO vehicles, separately managed accounts, and other institutional and retail clients.

The fees from institutional and retail clients are charged periodically (i.e., monthly, quarterly or semi-annually) based on average net AUM and may be collected in arrears or in advance depending on the arrangement.

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Advisory fees earned in connection with private equity funds are generally based on committed or invested capital, depending on where the fund is in its life cycle and are generally collected in advance, in certain cases up to 180 days. The advisory fees earned from hedge funds are generally based on the net asset value of the respective funds. Percentages, formula calculations, underlying agreements and terms vary and are defined in each management agreement.

The collateral management fees earned from managing CLO vehicles are calculated and payable based on a percentage of the beginning period par asset balance plus principal cash balances and are subject to the vehicles' priority of payments schedules. The fee levels vary between the vehicles and are defined in the underlying collateral management agreements.

Performance fees – *Performance fees* include carried interest from private equity funds and managed accounts and performance fees from hedge funds and CLO vehicles managed by the Company.

PineBridge through its subsidiaries may receive carried interest from private equity funds. In certain structures, specifically in private equity funds, funds of funds, and certain related managed accounts (collectively "Carry Funds"), performance fees ("Carried Interest") are allocated to the general partner or the Company based on cumulative fund performance to date. At the end of each reporting period, the Company calculates the Carried Interest that would be due to the Company as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Carried Interest to reflect either (a) positive performance resulting in an increase in the Carried Interest allocated to the general partner or (b) negative performance that would cause the amount due to the Company to be less than the amount previously recognized as revenue, resulting in a negative adjustment to Carried Interest allocated to the general partner. In each scenario, it is necessary to calculate the Carried Interest based on cumulative results compared to the Carried Interest recorded to date and make the required positive or negative adjustments. Negative adjustments will never exceed previously recognized Carried Interest allocations. The Company is not obligated to pay guaranteed returns or hurdles and, therefore, cannot have negative Carried Interest over the life of a fund or managed account. Accrued but unpaid Carried Interest, referred to as unrealized carried interest, as of the reporting date is reflected in *Investments* in the Consolidated Statements of Financial Condition. Carried interest is realized when an underlying investment is profitably disposed of and the fund's cumulative returns are in excess of the preferred return.

Carried Interest is subject to clawback to the extent that the Carried Interest actually distributed to date exceeds the amount due based on cumulative results. As such, the accrual for potential repayment of previously received performance fees represents all amounts previously distributed to the Company and non-controlling interest holders that would need to be repaid to the funds if the Carry Funds were to be liquidated based on the current fair value of the underlying funds' investments as of the reporting date. The actual clawback liability does not become realized until the end of a fund's life or one year after a realized loss is incurred, depending on the fund.

Performance fees are also earned from hedge funds and certain separately managed institutional and private client accounts. Performance fees earned from hedge funds and separately managed accounts are not subject to clawback and are accrued if certain performance thresholds are achieved during the reporting period. The Company records its incentive fees from hedge funds at the end of the performance measurement period, which is generally each calendar year end.

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Certain CLO vehicles provide for performance fees which are generally based on a percentage of the remaining available cash flows after residual interest investors achieve certain performance thresholds. The Company accrues performance fees when realized, or when realization is imminent and assured based on measuring available cash flows as of the reporting date versus the performance benchmark.

Other Revenues

Other revenues include transaction and other fees, reimbursement of certain expenses and other miscellaneous revenue items principally associated with service arrangements for a related party. Transaction fees are generally related to specific non-recurring deals or events.

Income from Consolidated Funds

Net gains from investment activities represent the interest income and expense and the unrealized and realized gains and losses on the investments of the Consolidated Investment Funds and Consolidated CLO Vehicles. Assets and liabilities in Consolidated Funds are generally recorded at fair value and changes in fair value represent unrealized gains (losses) that are included in *Income from Consolidated Funds, Net gains from investment activities*. Gain (loss) is realized when the Consolidated Funds redeem all or a portion of their investment or when they receive cash income, such as dividends or distributions.

Other income in the Consolidated Statements of Operations includes fee income from the Consolidated CLO Vehicles such as delayed compensation related to late interest payments or cost of carry on investments, such as lending charges. Other income is recognized as incurred and recorded on an accrual basis.

Other expenses in the Consolidated Statements of Operations includes administrative expenses, professional fees, rating agency fees and other expenses in the Consolidated CLO Vehicles and professional fees in the Consolidated Funds.

Changes in the fair value of Consolidated CLO assets and liabilities and related interest and other income are included in the Company's Consolidated Statements of Operations and are presented within *Income from Consolidated Funds*. PineBridge's beneficial interests in the Consolidated CLOs impact *Net (Loss) Attributable to PineBridge*.

Interest Income

Interest income includes interest and dividend income. The Company recognizes contractual interest on financial instruments and other positions owned and financial instruments and other positions sold but not yet purchased, excluding derivatives, on an accrual basis on the trade date. Discounts and premiums on securities purchased are accreted or amortized over the life of the respective securities using the effective interest method. Realized gains and losses are recorded based on the specific identification method.

Interest Expense

Interest expense is recognized on an accrual basis over the life of the arrangement using the effective interest method.

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Income (loss) From Investments

Income (loss) from investments includes the unrealized and realized gains and losses on investments. Investment income (loss) is realized when the Company redeems all or a portion of its investment or when it receives cash income, such as distributions.

Income Taxes

Income taxes are accounted for using the liability method of accounting. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax basis, using currently enacted tax rates. The effect on deferred assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized, which results in a charge to income tax expense in the Consolidated Statements of Operations. The Company records its income taxes receivable and payable based upon its estimated tax liability.

PineBridge is a limited partnership and is not subject to federal or state corporate income taxes. However, PineBridge is subject to New York City Unincorporated Business Tax ("NYC UBT") and foreign taxes for its international operations. The Consolidated Funds are generally not subject to taxes in their countries of domicile.

PineBridge also applies ASC Topic 740-10, "*Accounting for Uncertainty in Income Taxes*" which sets out a framework for management to determine the appropriate level of tax reserves to maintain for uncertain tax positions. This interpretation uses a two-step approach wherein a tax benefit is recognized if a position is more likely than not to be sustained, and the amount of benefit is then measured using a probabilistic approach, as defined in the ASC Topic. The ASC Topic also sets out disclosure requirements to enhance transparency of an entity's tax reserves.

The Company analyzes its tax filing positions in all of the U.S. Federal, state, local and foreign tax jurisdictions where it is required to file income tax returns, as well as for all open tax years in these jurisdictions. Based on this analysis, if the Company determines that uncertainties in tax positions exist, a reserve is established. The Company recognizes accrued interest and penalties related to uncertain tax positions in *General, administrative, and other* expenses within the Consolidated Statements of Operations.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties under GAAP. PineBridge reviews its tax positions at least annually and adjusts its tax balances as new information becomes available.

Equity-Based Compensation

Compensation expense of employee services received in exchange for equity-based awards is recognized using the award's grant date fair value. Equity-based awards that do not require future service (i.e., vested awards) are expensed immediately. Equity-based employee awards that require future service are expensed over the relevant service period.

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Cash settled equity-based awards are classified as liabilities and are re-measured to fair value at the end of each reporting period.

Foreign Currency

In the normal course of business, the Company may enter into transactions not denominated in United States dollars. Foreign exchange gains and losses arising on such transactions are recorded as *Foreign exchange and other income (loss)* in the Consolidated Statements of Operations. In addition, the Company consolidates a number of entities that have a non-U.S. dollar functional currency. Non-U.S. dollar denominated assets and liabilities are translated to U.S. dollars at the exchange rate prevailing at the reporting date and income, expenses, gains and losses are translated at the prevailing monthly average exchange rates during the months that they were recorded. Cumulative translation adjustments arising from the translation of non-U.S. dollar denominated operations are recorded in *Foreign currency translation adjustment* in the Consolidated Statements of Comprehensive Income (Loss).

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances, excluding those resulting from investments by and distributions to owners. For PineBridge's purposes, comprehensive income represents *Net income (loss)*, as presented in the accompanying Consolidated Statements of Operations, adjusted for unrealized gains or losses on securities available for sale as well as net foreign currency translation adjustments. For the years ended December 31, 2018, 2017 and 2016, there were no adjustments or immaterial amounts for unrealized gains or losses on securities classified as available for sale.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”). Under ASU 2018-13, entities are no longer required to disclose (a) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy or (b) changes in unrealized gains and losses for the period included in earnings for recurring Level 3 fair value measurements. The guidance is effective for the Company for fiscal years beginning after December 15, 2019 with early adoption permitted. The Company elected to early adopt ASU 2018-13 and modified its disclosures accordingly.

Recent Accounting Pronouncements Not Yet Effective

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (“ASU 2014-09”). ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The guidance requires revenue recognition of an amount the entity expects to receive in exchange for the transfer of promised goods or services to customers. An entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the

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extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. In August 2015, the FASB issued ASU 2015-14, Deferral of the Effective Date, which deferred the effective date of the guidance of ASU 2014-09 by one year. In March 2016 the FASB issued ASU 2016-08, Principal versus Agent Considerations (Reporting Revenue Gross versus Net), in April 2016 the FASB issued ASU 2016-10, Identifying Performance Obligations and Licensing, and in May 2016 the FASB issued ASU 2016-12, Narrow-Scope Improvements and Practical Expedients. The amendments in ASU 2016-08, ASU 2016-10 and ASU 2016-12 affect the guidance in ASU 2014-09. The amended guidance relating to Revenue from Contracts with Customers is effective for the Company for annual periods beginning after December 15, 2018. The adoption of the amended guidance is not expected to have a material impact on the timing of recognition of *Performance fees*.

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities (“ASU 2016-01”). ASU 2016-01 amends guidance on the classification and measurement of financial instruments, including significant revisions in accounting related to the classification and measurement of investments in equity securities and presentation of certain fair value changes for financial liabilities when the fair value option is elected. ASU 2016-01 also amends certain disclosure requirements associated with the fair value of financial instruments. Adopting ASU 2016-01, which is effective for the Company on January 1, 2019, is not expected to have a material impact on the Company’s financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). These amendments require the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases currently classified as operating leases under ASC 840 “Leases”. The guidance is effective for the Company for annual periods beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the accounting, transition and disclosure requirements of the standard and cannot currently estimate the financial statement impact of adoption.

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”), which amends the guidance for evaluating the impairment of financial instruments. The new guidance adds an impairment model that is based on expected losses rather than incurred losses. The Company is currently evaluating the impact of adopting ASU 2016-13, which is effective for the Company on January 1, 2021 with early adoption permitted on January 1, 2019.

In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments (“ASU 2016-15”), which amends and clarifies the current guidance to reduce diversity in practice of the classification of certain cash receipts and payments in the statement of cash flows. The guidance is to be applied retrospectively to all periods presented. Adopting ASU 2016-15, which is effective for the Company on January 1, 2019, is not expected to have a material impact on the Company’s financial statements.

In November 2016, the FASB issued ASU 2016-18, Restricted Cash (“ASU 2016-18”), which requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. The guidance is to be applied retrospectively to all periods presented. Adopting ASU 2016-18, which is effective for the Company on January 1, 2019, is not expected to have a material impact on the Company’s financial statements.

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3. INVESTMENTS

The following table represents PineBridge's investments at December 31, 2018 and 2017:

	December 31,	
	2018	2017
Investments of Consolidated Funds	\$ 4,333,432	\$ 3,589,130
Unrealized carried interest, net of clawback accrual ¹	51,841	101,145
Equity method investments	141,741	137,878
Time Deposits and other short term investments, at fair value	21,170	31,630
Investments in Non-Consolidated CLOs, at fair value	89,021	80,367
Investments, excluding Consolidated Funds	\$ 303,773	\$ 351,020
Total Investments	<u>\$ 4,637,205</u>	<u>\$ 3,940,150</u>

¹ Clawback accrual: 2018 - \$4,354; 2017 - \$4,536

Investments of Consolidated Funds

The Company's consolidated financial statements include investments held by 14 and 10 Consolidated CLO Vehicles in 2018 and 2017, respectively. The Company's consolidated financial statements include investments held by 2 Consolidated Investment Funds in both 2018 and 2017. These investments are held for the exclusive benefit of the holders of ownership interests in the funds and CLOs. PineBridge has no ability to utilize the assets of these funds for general corporate purposes, and there is no recourse to the Company for their liabilities, other than for the Company's ownership interests, including its unrealized carried interest that is subject to clawback.

Unrealized Carried Interest

Carried interest is allocated to wholly or majority owned subsidiaries that are general partners of private equity funds, funds of funds or managed assets of separately managed accounts. Such allocations are determined based on the performance of the funds and managed accounts, and are subject to clawback based on future performance. Unrealized carried interest represents the carried interest earned by the Company based on performance through December 31, 2018 and 2017 where the underlying funds' investment gains are unrealized, net of any clawback. Clawback amounts represent possible repayment of previously received performance fees paid to PineBridge and non-controlling interest holders that would need to be repaid to the funds in the Carry Funds were to be liquidated based on the fair value of their underlying investments. Refer to *Note 15 – Commitments and Contingencies – Contingent Obligations (Clawback)*.

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Unrealized carried interest allocated to the general partner or other investment interests in respect of performance of certain private equity funds, fund of funds and managed accounts was as follows:

	Consolidated Unrealized Carried Interest
Unrealized Carried Interest, net of clawback - December 31, 2016	<u>\$ 108,919</u>
Net change due to realized carry events	(29,551)
Net change due to tax distribution	(756)
Net change due to changes in fair values	<u>22,533</u>
Unrealized Carried Interest, net of clawback - December 31, 2017	<u>\$ 101,145</u>
Net change due to realized carry events	(51,759)
Net change due to changes in fair values	<u>2,455</u>
Unrealized Carried Interest, net of clawback - December 31, 2018	<u>\$ 51,841</u>

Equity Method Investments

PineBridge's equity method investments are its investments in various entities, including private equity and other funds, which are not consolidated but over which the Company exerts significant influence. The Company's share of operating income generated by its equity method investments is recorded as *Income from investments* in the Consolidated Statements of Operations. These investments are purchased and sold in private, unregistered transactions and are therefore subject to restrictions on resale or otherwise have no established trading market and are primarily illiquid.

Time Deposits and other short term investments

PineBridge has Time Deposits and other short term investments in PineBridge funds which have daily liquidity that are reported at fair value as described in *Note 2, Summary of Significant Accounting Policies*. PineBridge has elected the Fair Value Option for these investments as it best represents the value the Company will realize on the investments.

Investments in Non-Consolidated CLOs

PineBridge invests in non-consolidated CLOs that are reported at fair value as described in *Note 2, Summary of Significant Accounting Policies*. PineBridge has elected the Fair Value Option for these investments as it best represents the value the Company will realize on the investments.

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The following tables present condensed schedules of the investments held by the Consolidated Funds that are reported at fair value as of December 31, 2018 and 2017. The Company considers the categorization below to be the most representative presentation of investments held by Consolidated Funds. These investments are presented as a percentage of the Consolidated Funds' investments.

	December 31, 2018		
Geographic Region/Instrument Type /Industry Description or Investment Strategy	Cost	Fair Value	Percent of Consolidated Funds' Investments
<u>North America</u>			
Investments of Consolidated Investment Funds			
Equity securities	\$ 8,415	\$ 6,235	0.1%
Preferreds	2,528	-	0.0%
Mezzanine	16,548	16,184	0.4%
Corporate Loans	18,130	14,150	0.3%
Investments of Consolidated Investment Funds	<u>45,621</u>	<u>36,569</u>	<u>0.8%</u>
Investments of Consolidated CLO Vehicles			
Corporate Loans	3,795,272	3,601,622	83.1%
Corporate Bonds	3,587	3,622	0.1%
Other	5,317	4,123	0.1%
Investments of Consolidated CLO Vehicles Total	<u>3,804,176</u>	<u>3,609,367</u>	<u>83.3%</u>
Total North America	<u>\$ 3,849,797</u>	<u>\$ 3,645,936</u>	<u>84.1%</u>
<u>Europe, Asia, and Other Regions</u>			
Investments of Consolidated Investment Funds			
Corporate Bonds and Other	\$ 26,278	\$ 25,238	0.6%
Investments of Consolidated Investment Funds	<u>26,278</u>	<u>25,238</u>	<u>0.6%</u>
Investments of Consolidated CLO Vehicles			
Corporate Loans	662,387	635,795	14.7%
Corporate Bonds	28,890	26,463	0.6%
Investments of Consolidated CLO Vehicles Total	<u>691,277</u>	<u>662,258</u>	<u>15.3%</u>
Total Europe, Asia, and Other Regions	<u>717,555</u>	<u>687,496</u>	<u>15.9%</u>
Total Investments of Consolidated Funds	<u>\$ 4,567,352</u>	<u>\$ 4,333,432</u>	<u>100.0%</u>

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Geographic Region/Instrument Type /Industry Description or Investment Strategy	December 31, 2017		
	Cost	Fair Value	Percent of Consolidated Funds' Investments
North America			
Investments of Consolidated Investment Funds			
Equity securities	\$ 8,414	\$ 6,720	0.2%
Preferreds	2,528	419	0.0%
Mezzanine	9,333	9,345	0.3%
Corporate Loans	18,781	19,708	0.5%
Investments of Consolidated Investment Funds	<u>39,056</u>	<u>36,192</u>	<u>1.0%</u>
Investments of Consolidated CLO Vehicles			
Corporate Loans	2,830,786	2,820,779	78.6%
Corporate Bonds	5,353	5,396	0.2%
Other	-	1,302	0.0%
Investments of Consolidated CLO Vehicles Total	<u>2,836,139</u>	<u>2,827,477</u>	<u>78.8%</u>
Total North America	<u>\$ 2,875,195</u>	<u>\$ 2,863,669</u>	<u>79.8%</u>
Europe, Asia, and Other Regions			
Investments of Consolidated Investment Funds			
Corporate Bonds and Other	\$ 31,823	\$ 32,105	0.9%
Investments of Consolidated Investment Funds	<u>31,823</u>	<u>32,105</u>	<u>0.9%</u>
Investments of Consolidated CLO Vehicles			
Corporate Loans	659,996	654,542	18.2%
Corporate Bonds	39,887	38,814	1.1%
Investments of Consolidated CLO Vehicles Total	<u>699,883</u>	<u>693,356</u>	<u>19.3%</u>
Total Europe, Asia, and Other Regions	<u>731,706</u>	<u>725,461</u>	<u>20.2%</u>
Total Investments of Consolidated Funds	<u>\$ 3,606,901</u>	<u>\$ 3,589,130</u>	<u>100.0%</u>

4. MARKET AND OTHER RISK FACTORS

The objectives of the Company and the Consolidated Funds are to seek long-term capital appreciation (Investment Funds) or long-term income (Consolidated CLO Vehicles). However, as was the case when the Company and the Consolidated Funds were formed, general market risk factors continue to exist which could cause substantial losses. The Company investments including the Investment Funds' investments include direct private equity investments and investments in private equity funds that are primarily illiquid. These investments are purchased and sold in private, unregistered transactions and are therefore subject to restrictions on resale or otherwise have no established

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

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trading market. The Consolidated CLO Vehicles' investments consist largely of loan instruments which are subject to credit risk. Market and other risks include, but are not limited to, the following:

General Economic, Regulatory and Litigation Risk

The Company and Consolidated Funds' investments are subject to market risk, which may be caused by several factors, including financial crisis or difficult economic conditions. Legal and regulatory changes could occur during the duration of the investments which may adversely affect their value. The Company and the Consolidated Funds may be subject to a variety of litigation risks, particularly if one or more of their investments face financial or other difficulties during the investment period. Legal disputes, involving the Company and the Consolidated Funds, any of their investments, their general partners, limited partners, or affiliates, may arise from the foregoing activities (or any other activities relating to the operations of the Company or the Consolidated Funds or their general partners) and could have a significant adverse effect on the Company or the Consolidated Funds.

Custody Risk

The Company and the Consolidated Funds maintain cash and custody accounts with various banks and may be exposed to credit risk with regard to the banks and the custodians.

Foreign and Emerging Market Risks

The Company has offices in approximately 20 countries, including countries considered emerging markets, and manages portfolios and investment funds that generally invest a significant portion of their assets in the equity, debt, loans or other securities of issuers located outside the United States, including securities traded in emerging markets. Investing and operating businesses in markets outside the United States may expose the Company and the Consolidated Funds to additional risks not typically associated with doing business in the United States, including risks relating to foreign currency exchange rate fluctuations, potential price volatility and relative illiquidity typical of less developed or efficient financial markets, the absence of uniform accounting and financial reporting standards, underdeveloped legal or regulatory environments that are subject to changes that could lead to unfavorable tax or other financial results, heightened exposure to corruption risk, political hostility to investments by foreign or private equity investors, limits on the availability of information in respect of companies operating in non-U.S. markets, reliance on a more limited number of service providers and/or distribution mechanisms, higher rates of inflation, higher transaction costs, difficulty in enforcing contractual obligations, and fewer investor protections. In addition, in markets outside the United States, the Company and the Consolidated Funds are exposed to certain economic and political risks including potential exchange control regulations and restrictions on non-U.S. investments and repatriation of profits on investments or of capital invested, the risks of political, economic or social instability, the possibility of expropriation or confiscatory taxation, and the possible imposition of non-U.S. taxes or withholding on income and gains recognized with respect to such securities. Developments with respect to such risks can adversely affect assets that are held in certain countries or the returns from these assets or expose the Company and the Consolidated Funds to risk of loss.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Foreign Currency and Exchange Risks

To the extent that the Company and the Consolidated Funds directly or indirectly hold assets in local currencies, they will be exposed to a degree of currency risk which may adversely affect performance. Changes in foreign currency exchange rates may affect the value of their investments. In addition, the Company and the Consolidated Funds may incur costs in connection with conversions between various currencies. The Company and the Consolidated Funds will conduct their foreign currency exchange transactions in anticipation of funding investment commitments or receiving proceeds upon dispositions, but ordinarily will not attempt to hedge currency risks over the long-term.

Concentration and Credit Risks

The Company and certain Consolidated Funds invest in a limited number of investments and, as a consequence, their aggregate returns may be materially and adversely affected by the unfavorable performance of even a single investment. The risk is equal to the market value of the investments, at fair value.

The Company and certain Consolidated Funds and portfolio companies may own debt securities. Investment portfolios with debt securities are subject to credit risk. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. Securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such security.

Investee Risk

The Company and the Consolidated Funds have substantial investments in investments or companies which have limited track records, business histories, product and service lines, market, financial resources and management depth. Those investments may include companies with a substantial amount of debt or borrowings. Such leverage could increase the potential return but could also result in substantial loss if the companies were not able to meet the obligations or the covenants of their debt or borrowings. The Company and the Consolidated Funds may invest in certain companies that are experiencing significant financial or business difficulties or in underperforming investments. Such investments are subject to greater risk of loss or poor performance.

Risk Involving the Investment Funds' Capital

Certain limited partners may have significant ownership in one or more Consolidated Investment Funds. Such concentration of partners' capital could have a material effect on the Consolidated Investment Funds. The Consolidated Investment Funds have capital commitments from their limited partners to fund investments and to pay expenses throughout the term of the Consolidated Investment Funds. A default by one or more limited partners could have an adverse or material effect on the Consolidated Investment Funds' ability to continue their investment strategies.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

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5. FAIR VALUE OPTION

The following table summarizes the financial instruments for which the fair value option has been elected, as of December 31, 2018 and 2017:

	<u>As of December 31,</u>	
	<u>2018</u>	<u>2017</u>
Time Deposits and other short term investments, at fair value	\$ 21,170	\$ 31,630
Investments in Non-Consolidated CLOs	89,021	80,367
Assets of Consolidated CLO Vehicles		
Corporate Loans	4,237,417	3,475,321
Corporate Bonds	30,085	44,210
Other	4,123	1,302
Total Assets of Consolidated CLO Vehicles	<u>4,271,625</u>	<u>3,520,833</u>
Total	<u>\$ 4,381,816</u>	<u>\$ 3,632,830</u>
Liabilities of Consolidated CLO Vehicles	<u>\$ 4,141,536</u>	<u>\$ 3,443,451</u>
Total	<u>\$ 4,141,536</u>	<u>\$ 3,443,451</u>

The Company elected to adopt the fair value accounting provisions for investments as it best represents the value the Company will realize on the investments.

Upon consolidation of the Consolidated CLO Vehicles, the Company elected to adopt the fair value accounting provisions for eligible assets including bank loans and borrowings of the Consolidated CLO Vehicles to match performance of the assets and liabilities. To the extent there is a difference between the change in fair value of the assets and liabilities, the difference will be reported in the Consolidated Statements of Operations as *Income from Consolidated Funds, Net gains from investments*.

The principal amounts outstanding of the borrowings issued by CLOs mature in between 9 and 13 years, although principal pay downs are expected to begin subsequent to the investment periods of the CLOs. For one CLO the investment/reinvestment period has ended and for others this is expected to end within 5 years.

As of December 31, 2018 and 2017, the uncollected principal balance on Corporate Loans and Corporate Bonds exceeded the fair value by \$247.3 million and \$33.2 million, respectively. There was \$0.0 million and \$0.7 million Corporate Loans and Corporate Bonds that were more than 90 days past due as of December 31, 2018 and 2017 respectively.

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Net gains from investment activities include gains/losses of \$0.0 million, losses of \$0.6 million and gains of \$1.5 million related to the use of trading derivatives by the Consolidated CLO Vehicles for the years ended December 31, 2018, 2017 and 2016, respectively.

6. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value on a recurring basis using the fair value hierarchy levels at December 31, 2018 and 2017 were as follows:

	As of December 31, 2018			Total
	Level 1	Level 2	Level 3	
Assets:				
Investments of Consolidated Investment Funds				
Equity Securities	-	-	6,235	6,235
Mezzanine	-	-	16,184	16,184
Corporate Loans	-	-	14,150	14,150
Corporate Bonds and Other	-	25,238	-	25,238
Assets of Consolidated CLO Vehicles	-	4,271,625	-	4,271,625
Total Investments of Consolidated Investment Funds	-	4,296,863	36,569	4,333,432
Time Deposits and other short term investments	-	21,170	-	21,170
Investments in Non-Consolidated CLOs	-	-	89,021	89,021
Total Assets	\$ -	\$ 4,318,033	\$ 125,590	\$ 4,443,623
Total %	-	97.2%	2.8%	100.0%
Liabilities:				
Notes and Loans Payable of Consolidated CLO Vehicles				
	\$ -	\$ 4,141,536	\$ -	\$ 4,141,536
Total Liabilities	\$ -	\$ 4,141,536	\$ -	\$ 4,141,536
Total %	-	100.0%	-	100.0%

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	As of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments of Consolidated Investment Funds				
Equity Securities	-	-	6,720	6,720
Preferreds	-	-	419	419
Mezzanine	-	-	9,345	9,345
Corporate Loans	-	-	19,708	19,708
Corporate Bonds and Other	-	32,105	-	32,105
Assets of Consolidated CLO Vehicles	-	3,520,833	-	3,520,833
Total Investments of Consolidated Investment Funds	-	3,552,938	36,192	3,589,130
Time Deposits and other short term investments	-	31,630	-	31,630
Investments in Non-Consolidated CLOs	-	-	80,367	80,367
Total Assets	\$ -	\$ 3,584,568	\$ 116,559	\$ 3,701,127
Total %	-	96.9%	3.1%	100.0%
Liabilities:				
Notes and Loans Payable of Consolidated CLO Vehicles	\$ -	\$ 3,443,451	\$ -	\$ 3,443,451
Total Liabilities	\$ -	\$ 3,443,451	\$ -	\$ 3,443,451
Total %	-	100.0%	-	100.0%

Assets measured at fair value include investments totaling \$4.3 billion held by 14 Consolidated CLO Vehicles and 2 Consolidated Investment Funds as of December 31, 2018 and \$3.6 billion held by 10 Consolidated CLO Vehicles and 2 Consolidated Investment Funds as of December 31, 2017. Liabilities measured at fair value include notes and loans payable and other liabilities totaling \$4.1 billion held by 14 Consolidated CLO Vehicles and 2 Consolidated Investment Funds as of December 31, 2018 and \$3.4 billion held by 10 Consolidated CLO Vehicles and 2 Consolidated Investment Funds as of December 31, 2017. The Consolidated Funds' assets are held for the exclusive benefit of the holders of ownership interests in the Consolidated Funds. PineBridge has no ability to utilize the assets of these funds for general corporate purposes, and there is no recourse to the Company for their liabilities, other than for the Company's ownership interests, including its unrealized carried interest that is subject to clawback.

Level 2 includes corporate bonds, senior secured loans and other assets held by the Consolidated Investment Funds, and Time Deposits and other short term investments.

Level 3 assets include investments in non-consolidated CLO vehicles and holdings of the Consolidated Investment Funds in private equity and other funds that have direct investments in non-marketable equity and debt securities.

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The following table summarizes the quantitative unobservable inputs used for investments classified within Level 3 of the fair value hierarchy as of December 31, 2018.

	Fair Value	Valuation Techniques	Unobservable Inputs	Input Value Range (Weighted Average) (a)
Assets:				
Investments of Consolidated Funds				
Equity Securities	\$ 6,235	Market Comparables	EBITDA Multiple	8.4-16.3x (9.9x)
Mezzanie	16,184	Market Comparables	EBITDA Multiple	9.1x
		Market Comparables	Revenue Multiple	0.7x
Corporate Loans	14,150	Market Comparables	EBITDA Multiple	8.4-17.9x (10.1x)
			Revenue Multiple	0.7-2.0x
Total Assets of Consolidated Funds	<u>\$ 36,569</u>			
Investments in Non-Consolidated CLO Vehicles	89,021	Discounted Cash Flows	Risk Premium	8%-11.25%
Total Assets	<u>\$ 125,590</u>			

EBITDA Earnings before interest, taxes, depreciation and amortization

(a) Unobservable inputs were weighted based on the fair value of the investments included in the range.

The following table summarizes the quantitative unobservable inputs used for investments classified within Level 3 of the fair value hierarchy as of December 31, 2017.

	Fair Value	Valuation Techniques	Unobservable Inputs	Input Value Range (Weighted Average) (a)
Assets:				
Investments of Consolidated Funds				
Equity Securities	\$ 6,720	Market Comparables	EBITDA Multiple	6.9-15.8x (10.7x)
Preferreds	419	Market Comparables	EBITDA Multiple	7.8x
Mezzanie	9,345	Market Comparables	EBITDA Multiple	7.8x
Corporate Loans	19,708	Market Comparables	EBITDA Multiple	6.9-17.5x (9.9x)
			Revenue Multiple	2.0x
Total Assets of Consolidated Funds	<u>\$ 36,192</u>			
Investments in Non-Consolidated CLO Vehicles	80,367	Discounted Cash Flows	Risk Premium	8%-11.25%
Total Assets	<u>\$ 116,559</u>			

EBITDA Earnings before interest, taxes, depreciation and amortization

(a) Unobservable inputs were weighted based on the fair value of the investments included in the range.

Values of Investments of Consolidated Funds were determined by the general partner of each fund, by taking into consideration the cost of securities, prices of recent third party transactions, developments subsequent to acquisition concerning the companies to which the securities relate, any financial data or projections of such companies provided to the fund, the valuations performed and such other factors as the general partner of the fund may deem relevant.

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The significant unobservable inputs used in the fair value measurement of the Consolidated Investment Funds' investments in common stock, preferred and convertible preferred are book value multiples, revenue multiples, EBITDA multiples and earnings multiples. Increases (decreases) in any of these inputs in isolation would result in a higher (lower) fair value measurement.

Realized gains and losses and change in unrealized gains and losses recorded for Level 3 investments are reported within *Income from Consolidated Funds, Net gains (losses) from investments* in the Consolidated Statements of Operations. The Company's policy is to recognize transfers in and out of Level 3 at the beginning of the year. Transfers into Level 3 are typically related to the deconsolidation of certain CLO vehicles or the acquisition of new private investments by the Consolidated Funds. During the year ended December 31, 2018, \$17.9 million of Level 3 assets were acquired or transferred in.

As of December 31, 2018, the Company made purchases in Non-Consolidated CLO vehicles of \$12.0 million and \$2.3 million was transferred in to Level 3 due to a change in consolidation of certain CLO vehicles. The Company also made purchases of \$3.6 million in equity purchases of portfolio companies in one of its Consolidated Investment Funds.

7. CONSOLIDATED FUNDS AND VARIABLE INTEREST ENTITIES (“VIE’s”)

The Consolidated Funds' business purpose is to provide strategy-specific investment opportunities for investors in exchange for management, advisory and, in certain instances, performance based fees. Generally, the investment strategies of PineBridge funds differ by product; however, the fundamental risks of the PineBridge funds have similar characteristics, including the potential loss of invested capital and, in certain instances, the potential loss of management, advisory and performance based fees. In PineBridge's role as a general partner or investment advisor PineBridge generally considers itself the sponsor of the applicable PineBridge consolidated fund. The Company does not provide performance guarantees and has no other financial obligations to provide funding to Consolidated Funds other than its own capital commitments.

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The gross assets and liabilities of the Consolidated Funds reflected in the Consolidated Statements of Financial Condition as of December 31, 2018 and 2017, net of elimination of intercompany balances, are as follows:

	December 31, 2018		
	Consolidated CLO Vehicles	Consolidated Investment Funds	Total
Assets:			
Cash and cash equivalents	\$ 218,024	\$ 2,467	\$ 220,491
Investments	4,271,625	61,807	4,333,432
Receivables and other assets	44,422	1,063	45,485
Total	<u>\$ 4,534,071</u>	<u>\$ 65,337</u>	<u>\$ 4,599,408</u>
Liabilities:			
Notes payable and loans	\$ 4,141,536	\$ -	\$ 4,141,536
Accrued expenses and other liabilities	196,850	107	196,957
Total	<u>\$ 4,338,386</u>	<u>\$ 107</u>	<u>\$ 4,338,493</u>
	December 31, 2017		
	Consolidated CLO Vehicles	Consolidated Investment Funds	Total
Assets:			
Cash and cash equivalents	\$ 431,111	\$ 2,753	\$ 433,864
Investments	3,520,833	68,297	3,589,130
Receivables and other assets	49,350	1,175	50,525
Total	<u>\$ 4,001,294</u>	<u>\$ 72,225</u>	<u>\$ 4,073,519</u>
Liabilities:			
Notes payable and loans	\$ 3,443,451	\$ -	\$ 3,443,451
Accrued expenses and other liabilities	428,331	454	428,785
Total	<u>\$ 3,871,782</u>	<u>\$ 454</u>	<u>\$ 3,872,236</u>

The assets of each Consolidated CLO Vehicle can be used only to settle obligations of each respective vehicle. There is no recourse to PineBridge for any of the Consolidated Funds' liabilities.

PineBridge holds significant variable interests or acts as the sponsor for certain VIEs and VOEs which are not consolidated because the Company has determined that it is not the primary beneficiary. PineBridge's involvement with such entities is in the form of general partner, limited partner, managing member, investment adviser, or

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collateral manager, and in other cases the Company's involvement with such entities is in the form of direct equity interests and fee arrangements. PineBridge earns management, advisory and, in certain instances, performance based fees on the AUM of these entities, but derives no other benefit from these assets and cannot use them for its operations.

As of December 31, 2018, assets recognized in the Company's Consolidated Statements of Financial Condition related to the Company's variable interest in these non-consolidated VIEs were \$159.1 million, consisting of \$157.9 million of investments and \$1.2 million of receivables. The Company's maximum exposure to loss relating to non-consolidated VIEs as of December 31, 2018 was \$160.8 million. As of December 31, 2017, assets recognized in the Company's Consolidated Statements of Financial Condition related to the Company's variable interest in these non-consolidated VIEs were \$159.8 million, consisting of \$156.2 million of investments and \$3.6 million of receivables. The Company's maximum exposure to loss relating to non-consolidated VIEs as of December 31, 2017 was \$161.6 million. The maximum exposure to loss represents the loss of assets recognized by PineBridge relating to non-consolidated entities and any clawback obligation relating to previously distributed carried interest.

8. FURNITURE, FIXTURES AND LEASEHOLD IMPROVEMENTS

Furniture, fixtures and leasehold improvements consist of the following:

	Useful Life in Years	December 31,	
		2018	2017
Computer software and hardware	3-8	\$ 37,489	\$ 34,759
Leasehold improvements	2-16	12,978	12,449
Furniture, fixtures and other equipment	5-10	2,748	2,915
Capital Leases	3-4	26,527	26,532
Total fixed assets		79,742	76,655
Less - Accumulated depreciation and amortization		(63,355)	(56,406)
Furniture, fixtures and leasehold improvements, net		\$ 16,387	\$ 20,249

Depreciation expense for the years ended December 31, 2018, 2017 and 2016 was \$7.6 million, \$6.8 million and \$9.8 million, respectively.

Capital Lease Obligations

Certain capital leased equipment and software were included in furniture, fixtures and leasehold improvements at a cost of \$26.5 million with accumulated depreciation of \$22.1 million at December 31, 2018 and a cost of \$26.5 million with accumulated depreciation of \$19.7 million at December 31, 2017. The future minimum lease payments under these non-cancelable leases as of December 31, 2018 are \$2.7 million in 2019, \$1.8 million in 2020 and \$0.5 million in 2020. Included in the future minimum lease payments is \$0.4 million representing interest at a 7.00% interest rate, resulting in a present value of capital lease of \$4.8 million and included in *Other liabilities* in the Consolidated Statements of Financial Condition.

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9. INTANGIBLE ASSETS

The following table summarizes intangible assets as of December 31, 2018 and 2017

	December 31,	
	2018	2017
Finite-life assets	\$ 185,805	\$ 185,805
Accumulated amortization	(149,696)	(140,159)
Total finite-life intangible assets, net	36,109	45,646
Indefinite-life intangible asset	200	200
Total intangible assets	<u>\$ 36,309</u>	<u>\$ 45,846</u>

The fair value of the Company upon acquisition included \$186.0 million that has been allocated to Intangible Assets in the Consolidated Statements of Financial Condition as of the acquisition date. The intangible assets reflect the value ascribed for the future fee income relating to contractual rights and client or investor relationships for management, advisory and incentive fee arrangements as well as for those rights and relationships associated with the future carried interest income from the Carry Funds.

The majority of the finite-life intangible assets are customer relationships with contractual rights to receive future fee income from advisory services from institutional asset management and managed accounts.

The estimated useful lives of the finite-life intangibles range between 3 and 15 years. The Company amortizes the finite-life intangibles over their estimated useful lives using the straight-line method. The weighted average useful life of the finite-life intangibles is approximately 11 years.

Amortization expense associated with the Company's intangible assets for the years ended December 31, 2018, 2017 and 2016 was \$9.5 million, \$12.0 million and \$18.3 million, respectively.

The expected amortization of intangible assets for each of the next 5 years is as follows:

	2019	2020	2021	2022	2023	Total
Estimated amortization expense	\$ 9,435	\$ 7,140	\$ 6,375	\$ 6,375	\$ 5,210	\$ 34,535

10. BORROWINGS

The Company borrows and enters into credit agreements for its general operating and investment purposes and Consolidated CLO Vehicles borrow to meet financing needs of their operating and investing activities. Borrowings of the Consolidated CLO Vehicles are for the benefit of that particular CLO, therefore, the proceeds from the borrowing are strictly limited for the intended use of the CLO and not available for other purposes.

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The Company's credit facilities consist of the following:

	December 31,					
	2018			2017		
	Credit Available	Borrowing Outstanding	Weighted Average Interest Rate	Credit Available	Borrowing Outstanding	Weighted Average Interest Rate
Revolving Credit Facilities and other notes [a]	\$ 300,000	\$ 251,000	3.79%	\$ 300,000	\$ 198,000	3.71%
Consolidated CLO Vehicles [b]	4,672,051	4,672,051	3.63%	3,676,902	3,676,902	2.82%
Note purchase agreement [c]	152,954	123,003	9.03%	157,492	68,539	8.96%
Loans under repurchase agreements (U.S.) [d]	100,000	50,718	3.72%	100,000	23,915	3.46%
Loans under repurchase agreements (non-U.S.) [e]	19,534	19,534	0.70%	20,433	20,433	0.57%
	<u>\$ 5,244,539</u>	<u>\$ 5,116,306</u>		<u>\$ 4,254,827</u>	<u>\$ 3,987,789</u>	

- (a) The Company borrows from the credit facility for its general operating and investment purposes. During the year ended December 31, 2018, the Company refinanced their line of credit agreement to extend the timing of repayment. As of December 31, 2018, the Company had a \$300 million credit facility available with six banks: Barclays Bank, ScotiaBank, HSBC, ING, Mizuho, and Standard Chartered. As of December 31, 2017, the Company had a \$300 million credit facility available with six banks: Barclays Bank, Citicorp, HSBC, ING, Mizuho, and Standard Chartered. Each bank provided credit of \$50 million to the Company. The Company had outstanding borrowings of \$251 million and \$198 million at December 31, 2018 and 2017, respectively. The credit facility expires in February 2022 and includes financial covenants requiring the Company to maintain assets under management of at least \$50 billion and tangible net assets (excluding the net assets of Consolidated Funds) of at least \$150 million. At December 31, 2018 the Company was not in compliance with the financial covenant related to the tangible net assets and reported to the lenders on February 1, 2019 (See *Note 17*) that it violated the covenant and obtained a \$20 million subscription agreement from its majority shareholder to remedy the violation. Thus, the Company has been able to subsequently make \$38 million of additional drawdowns on the credit facility.
- (b) Represents borrowings due to the holders of debt securities issued by PineBridge's Consolidated CLO Vehicles. These borrowings are included at fair value within *Liabilities of Consolidated Funds, Notes and loans payable*. The notes and loans payable of Consolidated CLO Vehicles are collateralized by assets held by each Consolidated CLO Vehicle, and assets of one vehicle may not be used to satisfy liabilities of another. At December 31, 2018 and 2017, the Company's borrowings through Consolidated CLO Vehicles consisted of the following par balances:

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	December 31,					
	2018			2017		
	Borrowing	Weighted	Remaining	Borrowing	Weighted	Remaining
	Outstanding	Average	Maturity in	Outstanding	Average	Maturity in
	Interest	Years		Interest	Years	
	Rate	(i)		Rate	(i)	
Consolidated CLO Vehicles	\$ 4,672,051	3.63%	9-13	\$ 3,676,902	2.82%	9-13

- (i) Principal paydowns are expected, but not required, to begin subsequent to the reinvestment periods of the Consolidated CLO Vehicles, one of which has already ended, with the others expected to end prior to maturity. Subordinated notes of the Consolidated CLO Vehicles do not have contracted interest rates but receive distributions from the excess cashflows of the vehicle.
- (c) To assist PineBridge in complying with credit risk retention for new CLO issuances and affected refinancings (and resets), a subsidiary of the Company entered into a note purchase agreement with a third party whereas the subsidiary proposed to issue and sell the third party its Senior Secured Notes. Interest is assessed at a minimum of 8% with variable rates where total interest rate is not to exceed 12.25%-15.00% for particular loans. The loans limit payments to the subsidiary's affiliates to provide collateral support to the lender; however, those loans do not have recourse to other assets of PineBridge beyond the subsidiary.
- (d) A subsidiary of the Company entered into a master repurchase agreement with an American investment bank whereas the subsidiary agreed to transfer U.S. asset-backed securities of collateralized financing transactions or other assets against the transfer of funds. The facility term matches the term of the underlying CLO tranches, and pays an interest rate of (a) the coupons on the underlying tranches plus (b) an additional spread. At December 31, 2018, a subsidiary pledged securities with a carrying value of \$56.4 million and cash of \$5.1 million to collateralize these repurchase agreements. At December 31, 2017, a subsidiary pledged securities with a carrying value of \$28.2 million and cash of \$2.4 million to collateralize these repurchase agreements. Such securities can be repledged, delivered or otherwise used by the counterparty. Contractual maturity of current arrangements is 13 years.
- (e) A subsidiary of the Company entered into a master repurchase agreement with a French financial services group whereas the subsidiary agreed to transfer non-U.S. asset-backed securities of collateralized financing transactions or other assets against the transfer of funds. Interest is based on EURIBOR plus a spread. At December 31, 2018 and 2017, a subsidiary pledged securities with a carrying value of \$22.3 million and \$23.3 million, respectively, to collateralize its repurchase agreements. Such securities are held by an independent triparty collateral manager and cannot be repledged, delivered or otherwise used by the counterparty. Contractual maturities of these repurchase agreements are subject to a 90 day call notice, which would terminate the agreements.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

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11. INCOME TAXES

The Company consists primarily of entities that are disregarded or pass through entities for U.S. tax purposes. The Company's legal entity structure, and that of its owners, generally eliminates the need to accrue income tax for federal and state purposes. However, the nature of certain activities within the Company generate a tax liability for the Company's direct owner and therefore require calculation of a local New York City income tax to be reflected in the Company's financial statements and disclosures. Additionally, there are certain Non U.S. legal entities that are subject to income tax in their respective local jurisdictions, and the Company is also subject to certain Non-U.S. withholding taxes.

The Consolidated Funds are generally not subject to income taxes in the U.S or in the countries of their domicile. In general, each partner is individually liable for income taxes, if any, on its share of a consolidated fund's net taxable income. In the event that a fund incurs taxes imposed in the countries in which a fund invests, a provision for such taxes would be recorded if required under U.S. GAAP.

Significant components of the *Income tax provision* for the years ended December 31, 2018, 2017 and 2016 are summarized as follows:

	December 31,		
	2018	2017	2016
Current provision			
NYC UBT	\$ -	\$ -	\$ -
Non U.S.	6,484	4,368	5,948
Deferred provision			
NYC UBT	-	-	-
Non U.S.	(761)	(122)	5,364
Total income tax provision	\$ 5,723	\$ 4,246	\$ 11,312

The Company's effective tax rate for the periods ended December 31, 2018, 2017 and 2016 was (5.9)%, 75.3% and (43.2)%, respectively. This effective tax rate differs from the Company's jurisdictional statutory rate of 0% (the Company is formed in the Cayman Islands) primarily due to non-U.S. tax consequences. The Company's pre-tax book loss for 2018 of \$(97,497) consists of \$17,853 related to Non U.S. jurisdictions and \$(115,350) related to domestic entities. The Company's pre-tax book income for 2017 of \$5,641 consists of \$(10,996) related to Non U.S. jurisdictions and \$16,637 related to domestic entities. The Company's pre-tax book loss for 2016 of \$(26,205) consists of \$(4,029) related to Non U.S. jurisdictions and \$(22,176) related to domestic entities.

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Significant components of the Company's net Deferred tax assets and Deferred tax liabilities as of December 31, 2018 and 2017 consisted of the following:

	December 31,	
	2018	2017
Deferred tax assets		
Net operating loss carryforwards	\$ 35,621	\$ 38,712
Other temporary differences	1,863	2,500
Fixed assets	284	772
Total deferred tax asset before valuation allowance	37,768	41,984
Valuation allowance	(34,645)	(39,017)
Total deferred tax asset, net of valuation allowance	3,123	2,967
Deferred tax liabilities		
Amortization of intangibles	(740)	(1,153)
Other	(623)	(697)
Total deferred tax liability	(1,363)	(1,850)
Net deferred tax (liability) asset	\$ 1,760	\$ 1,117

The Company has net operating loss carryforwards, post-apportionment, totaling \$193 million for local and net operating loss carryforwards of \$143 million for non-U.S. jurisdictions. To the extent loss carryforwards are subject to time limits for use, which varies by jurisdiction, certain of these carryforwards, if not utilized, will begin to expire between 2020 and 2031, depending on the jurisdiction.

The Company assesses its risk associated with uncertain tax positions and records tax benefits for all years subject to examination based on the best information available at the reporting date. For those positions where it is more likely than not that a tax benefit will be sustained, the Company's policy is to record the largest amount of the tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority. For those positions where it is not more likely than not that a tax benefit will be sustained, no tax benefit should be recognized in the consolidated financial statements. The Company's policy is to recognize tax liabilities in accordance with U.S. GAAP and to adjust these liabilities when management's judgment changes as a result of the evaluation of new information not previously available. Due to the complexity of tax uncertainties, an ultimate resolution may result in a payment that is materially different from the Company's current estimate of the tax liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which they are determined.

During the period ended December 31, 2018, the Company has determined that there are no uncertain tax positions that would require an adjustment to be made to the existing income tax accounts. At this time the Company does not expect any material change in the unrecognized tax positions over the next twelve months.

On December 22, 2017 the Tax Cuts and Jobs Act ("TCJA") was signed into law. The TCJA includes broad changes to the existing U.S. income tax code including a federal corporate rate reduction from 35% to 21%, limitations on the

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deductibility of interest expense and executive compensation and the transition of U.S. international taxation from a worldwide tax system to a modified territorial tax system. While the Company is not currently subject to U.S. federal corporate income tax, it is subject to NYC UBT income tax. NYC UBT conforms to the U.S. federal corporation income tax TCJA law change related to the limitation on the deductibility of interest expense (“Code section 163(j) Limitation”). As such, the TCJA change related to 163(j) has been considered for purposes of calculating the NYC UBT income tax provision.

12. RELATED PARTY TRANSACTIONS

The Company receives fees for providing investment management advice and asset management services to private equity funds, hedge funds, funds of funds, collective investment trusts, registered mutual funds, and CLO vehicles (“PineBridge Funds”) that it sponsors. Such fees are included in the Consolidated Statements of Operations in *Investment advisory fees*. Earned but uncollected fees from the Company’s unconsolidated VIEs and from funds in which the Company has an ownership interest are accrued and included in *Fees receivable, net*. The Company also earns a carried interest from certain private equity funds it sponsors, which is reported in *Performance fees* in the Consolidated Statements of Operations. Accrued but unrealized carried interest is included in *Investments* in the Consolidated Statements of Financial Condition. Fees and carried interest earned from the Consolidated Funds as well as the related receivable included in *Investments*, as applicable, have been eliminated in consolidation.

Fees receivable, net include \$30.2 million and \$33.5 million fees receivable from related parties as of December 31, 2018 and 2017, respectively. Additionally, *Other receivables* include \$7.1 million and \$9.9 million other receivables from related parties inclusive of receivables from PineBridge Funds as of December 31, 2018 and 2017, respectively. Related parties include: all entities in which PineBridge has a non-controlling interest, including private equity funds, hedge funds, CLO vehicles and funds of funds in which the Company holds an ownership interest, typically as general partner; funds or other entities created or sponsored by PineBridge where it has no direct or indirect ownership interest; entities owned or controlled by PineBridge’s ultimate parent PCG; and PineBridge employees. *Investment advisory fees* and *Performance fees* include \$235.9 million, \$246.9 million and \$261.5 million earned from related parties for the years ended December 31, 2018, 2017 and 2016, respectively. *Other revenues* include \$2.5 million, \$1.4 million and \$3.4 million from related parties for the years ended December 31, 2018, 2017 and 2016, respectively, principally associated with service arrangements for PCG entities. The Company includes receivables from PCG entities in *Other receivables*.

At December 31, 2018, *Due from affiliates* includes \$30.0 million in subscription receivable from PCG. The Company received \$19.0 million of the subscription on February 14, 2019 and \$11.0 million on March 29, 2019.

Transactions with the PineBridge Funds

As an investment advisor, the Company is responsible for paying certain operating costs incurred by PineBridge sponsored funds. Reimbursements are generally settled in due course and typically coincide with distributions received by the funds, capital calls made by the funds or upon launch of the funds. The Company had \$4.2 million and \$8.1 million due from non-consolidated funds for expenses paid by the Company on their behalf at December 31, 2018 and 2017, respectively, included in *Other Receivables*.

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Collective Investment Trusts and Registered Mutual Funds

The Company derives revenues from advisory and administrative fees and report these in *Investment Advisory fees*. The advisory and administrative fees earned from the Company's sponsored collective investment trusts and mutual funds are charged monthly to the funds based on the average daily net assets under management which are valued using listed share prices.

Hedge Funds

The Company derives revenues from investment advisory fees and incentive fees and report these in *Investment Advisory fees and Performance fees*, respectively. The investment advisory fees are calculated and payable based on net asset value, as applicable. Net asset value includes the value of investments of the fund, which are valued at fair value by the general partner, managing member or investment manager, as applicable, based on quoted market prices or independent market quotations obtained from recognized pricing services, market participants or other sources. For funds of funds, investments are valued at fair value using the reporting net asset value from the respective investment funds for investments where the investment manager believes the net asset value can be used as a practical expedient for fair value.

Private Equity Funds, Funds of Funds, Investment Interests and Managed Accounts

The agreements entered into with the private equity funds, fund of funds, investment interests and managed accounts allow the Company to receive advisory fees and carried interest income, which is reported in *Investment Advisory fees and Performance Fees*. As of December 31, 2018, 2017 and 2016, investment advisory fees were calculated as a percentage of the aggregate capital commitments of the funds' invested capital or assets under management as defined by the relevant management agreements. Carried interest is determined based on the terms of the funds' agreements and is generally calculated based on a percentage of profits exceeding a specified IRR. Percentages, formula calculations, underlying agreements and terms vary and are defined in each management agreement.

The Company and its personnel who have received carried interest distributions have guaranteed clawback obligations back to the Carry Funds with respect to the excess carried interest allocated to the general partners of such funds to the extent that either PineBridge or its personnel fails to fulfill its clawback obligation, if any. The accrual for possible repayment of previously received performance fees represents amounts previously paid to PineBridge and non-controlling interest holders that would need to be repaid to the funds if the Carry Funds were to be liquidated based on the fair value of their underlying investments as of December 31, 2018 and 2017. See *Note 15, Commitments and Contingencies*.

Certain expenses are borne by the investment adviser if they exceed expense limits outlined in the prospectus or if such expenses relate to the establishment and ongoing management of these funds. In certain cases, such expenses are recoverable from the funds and any such recoveries are reflected as an offset to PineBridge sponsored funds related expenses in the Consolidated Statements of Operations.

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13. EQUITY BASED COMPENSATION

Equity-based compensation awards were granted to certain of its key employees and directors under the Company's Equity Plan (the "Equity Plan"). The Equity Plan allows for the granting of Incentive Units ("Incentive Units") representing equity interests in PineBridge or Phantom Units ("Phantom Units") which have economics similar to Incentive Units but are ultimately cash settled. Three classes of Incentive Units and Phantom Units were issued in 2018, 2017, 2015 and 2014: Bonus Long Term Incentive Plan Units ("Bonus LTIP Units"), Profits Pool Units and Special Profit Pool Units. Retention Pool Long Term Incentive Plan Units ("LTIP Units") and Special Retention Units issued between 2010 – 2013.

In addition, Deferred Bonus Awards with a designated fixed dollar amount were granted to certain employees in 2017 and are recognized as part of equity-based compensation. These awards are indexed to the total equity value of the Company between grant date and payment date and the amount of the deferred bonus payable to those employees is subject to reduction to the extent that the equity value of the partnership is lower at the time of payment than on the date of grant. These awards are subject to cliff vesting over five years. The liability for these awards are valued along with and under a consistent methodology to the Phantom Units.

Long Term Incentive Awards were granted to certain employees in 2018 and are recognized as part of equity-based compensation. The value of these awards will increase or decrease in direct proportion to increases or decreases in PineBridge's equity value. These awards are subject to cliff vesting over three years. The liability for these awards are valued along with and under a consistent methodology to the Phantom Units and Deferred Bonus Awards.

Incentive Units

LTIP Units and Bonus LTIP Units represent profits interests in PineBridge and have an initial capital account of zero when issued. Holders of LTIP Units, Bonus LTIP Units and Special Retention Units are entitled to receive priority allocations of net income until their capital accounts "catch up" to \$1 per share. After "catch up", LTIP Units, Bonus LTIP Units and Special Retention Units participate ratably in net income with the holders of paid units and Profits Pool Units. Bonus LTIP Units issued in 2014 and 2015 are generally subject to vesting over three years.

Profits Pool Units, Special Profit Pool Units and Special Retention Units represent profits interests in PineBridge and have an initial capital account of zero when issued. Holders of Profits Pool Units, Special Profit Pool Units and Special Retention Units are not entitled to receive allocations of net income until the capital accounts of LTIP Units and Bonus LTIP Units "catch up" to \$1 per share. After all LTIP Units and Bonus LTIP Units "catch up", Profits Pool Units, Special Profit Pool Units and Special Retention Units participate ratably in net income with holders of paid units, LTIP Units and Bonus LTIP Units. Profits Pool Units issued in 2015 and 2014 are generally subject to vesting over three or four years, in equal annual installments. Special Profits Pool Units issued in 2017 are generally subject to vesting over three to five years, in equal annual installments.

As of December 31, 2018, the Company had the ability to grant 217.7 million Incentive Units and Phantom Units under the Equity Plan as approved in the amended Limited Partnership Agreement, of which 174.1 have been issued and 43.6 are available to be issued.

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For the years ended December 31, 2018, 2017 and 2016, the Company recorded compensation expense of \$19.1 million, \$9.0 million and \$8.2 million, respectively, in relation to its Incentive Unit, Phantom Unit, Deferred Bonus Awards and Long Term Incentive Awards. Expenses are incurred based on vesting schedules for each of the individual grants, adjusted to fair value for liability based units.

Expense by unit class was as follows:

	December 31,		
	2018	2017	2016
LTIP/Bonus LTIP Units	\$ 14,143	\$ 3,781	\$ 3,173
Profits Pool Units	78	390	1,195
Special Retention Units	-	-	21
Special Profit Pool Units	901	928	-
Phantom Units	737	2,380	3,771
Deferred Bonus Awards	1,520	1,516	-
Long Term Incentive Awards	1,747	-	-
Total	\$ 19,126	\$ 8,995	\$ 8,160

As of December 31, 2018, there was \$17.1 million (\$9.7 million LTIP Units, \$1.4 million Deferred Bonus Awards, \$1.5 million Profits Pool Units and \$4.5 million Long Term Incentive Awards) of estimated unrecognized compensation expense related to unvested awards. This cost is expected to be recognized over a weighted-average period of 1.81 years. There were a total of 174.1 million vested and unvested outstanding Incentive Unit and Phantom Unit as of December 31, 2018.

In order to estimate the fair value per unit of the Incentive Units and Phantom Units, the estimated fair market value of the equity of the Company on a non-marketable, non-controlling interest basis is allocated to each type of unit through the use of a Monte Carlo Simulation (MCS). The equity value of the Company is determined utilizing a weighting of both an Income (i.e., discounted cash flow (“DCF”)) and Market approach. The DCF approach involves estimating the future cash flows of a business and discounting them to their present value. The discount rate utilized approximates the median yield on publicly traded securities issued by asset managers. The Market Approach assumes that companies operating in the same industry will share similar characteristics and that company values will correlate to those characteristics. The value obtained under both approaches are adjusted for certain risks, such as a lack of marketability. The MCS simulates the equity value of the Company in future periods using random numbers which follow a certain probability distribution. At certain points in the future, distributions are calculated assuming a liquidity event at the future simulated equity value. The equity value of the Company as of the Valuation Date is then allocated to each unit type based on the distributions received by each unit type during the MCS.

It is the Company’s policy to make cash distributions to employee holders of Equity Plan Units for any income taxes payable on units as tax liabilities arise. In 2018, 2017 and 2016, the Company did not make cash distributions to employees for any income taxes payable.

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Phantom Units

Certain employees in overseas locations were granted 4.5 million, 10.1 million, 17.8 million and 40.3 million Phantom Units in 2018, 2017, 2015 and 2014, respectively. The three classes of Phantom Units which have rights similar to the corresponding Incentive Units, including generally vesting over the same period. Phantom Units are cash-settled; therefore, they are classified as liability awards and revalued to fair value at the end of each reporting period. The estimated fair value of the total vested and unvested outstanding Phantom Units as of December 31, 2018 and 2017, were \$6.4 million and \$7.0 million, respectively. Phantom Units are amortized over the vesting period on a graded vesting basis and are recorded within *Accrued compensation and benefits* in the Consolidated Statements of Financial Condition. As of December 31, 2018 and 2017, accrued compensation in the amount of \$10.5 million (\$5.8 million Phantom Units, \$3.0 million Deferred Bonus Awards and \$1.7 million Long Term Incentive Awards) and \$9.8 million (\$8.3 million Phantom Units and \$1.5 million Deferred Bonus Awards), respectively, was recorded with respect to the vesting of the Phantom Units.

As of December 31, 2018 and 2017, cash used to repurchase Incentive and Phantom Units of employees was \$2.2 million (includes \$1.2 million top-up payments related to prior period repurchases) and \$0.5 million, respectively. Repurchases of units take place subsequent to termination of employment or when liquidity rights are authorized in accordance with Equity Plan documents.

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The summary of the unvested Incentive Units and Phantom Units issued as of December 31, 2018 and changes during the period from January 1, 2018, through December 31, 2018, are presented below:

	<u>Incentive Units</u>		<u>Phantom Units</u>	
	Number of	Weighted	Number of	Weighted
	Incentive	Average	Phantom	Average
	Units	Grant Date	Units	Grant Date
		Fair Value		Fair Value
<u>Bonus LTIP Units</u>				
Units at December 31, 2017	12,299	\$ 0.38	36,269	\$ 0.23
Converted	35,372	0.22	(35,372)	\$ (0.22)
Granted	10,661	0.40	-	-
Vested	(19,373)	(0.27)	(897)	(0.58)
Units at December 31, 2018	<u>38,959</u>	<u>0.29</u>	<u>-</u>	<u>-</u>
<u>Profit Pool Units</u>				
Units at December 31, 2017	3,491	\$ 0.19	1,690	\$ 0.19
Converted	(105)	(0.19)	105	0.19
Granted	-	-	1,431	0.10
Vested	(3,386)	(0.19)	(1,795)	(0.19)
Units at December 31, 2018	<u>-</u>	<u>-</u>	<u>1,431</u>	<u>0.10</u>
<u>Special Profit Pool Units</u>				
Units at December 31, 2017	33,338	\$ 0.08	10,144	\$ 0.08
Granted	4,132	0.10	3,104	0.10
Forfeited	(2,062)	(0.08)	-	-
Vested	(6,971)	(0.08)	(2,262)	(0.08)
Units at December 31, 2018	<u>28,437</u>	<u>0.08</u>	<u>10,986</u>	<u>0.09</u>
Total Units at December 31, 2018	<u>67,396</u>	<u>\$ 0.20</u>	<u>12,417</u>	<u>\$ 0.09</u>

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Expected to Vest— The following unvested Units, after assumed 3%-16% forfeiture rates, which vary based on award type, are expected to vest from December 31, 2018:

	<u>Incentive Units</u>		<u>Phantom Units</u>	
	Number of Incentive Units	Weighted Average Remaining Service Period in Years	Number of Phantom Units	Weighted Average Remaining Service Period in Years
Bonus LTIP Units	38,405	1.77	-	-
Profit Pool Units	-	-	1,378	1.54
Special Profit Pool Units	27,189	1.89	10,532	1.77
Total Equity based awards	<u>65,594</u>	<u>1.82</u>	<u>11,910</u>	<u>1.74</u>

In 2014 certain key directors were granted awards that vested based on market performance requirements and included both Incentive Units and Phantom Units. In 2018, these awards were converted to all Incentive Units and the vesting was changed from performance based to time based over a four year period. At December 31, 2018, 40% of these units are vested. This conversion resulted in a \$9.1 million expense in *Compensation and benefits* in the Consolidated Statements of Operations offset by increase in *Partners' capital* in the Consolidated Statements of Financial Condition.

Also in 2018, 3.2 million units of three foreign employees were converted from Equity Based units to Liability Based units (0.8 million LTIP Units and 2.4 million Profit Pool Units). There was no impact related to this conversion in the Consolidated Statements of Operations. The conversion resulted in a decrease *Partners' capital* and increase in *Accrued compensation and benefits* of \$0.6 million.

Other performance arrangements

The Company offers performance based incentive arrangements to certain PineBridge employees that represent interests in the Company's investment in and carried interest from certain private equity funds. The Company offers non-recourse loans to such employees to purchase their capital interest in these private equity funds. Those loans are valued as options on the underlying fund investments.

These non-recourse loans are recorded as liabilities at fair value using Black-Scholes options pricing model. The fair value is affected by Net Asset Value of the underlying private equity funds as well as assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, the expected volatility of underlying funds' Net Asset Value and the duration of the loan outstanding. The interest rate utilized in the model is the risk-free rate corresponding to the term of the loan, which ranged from 2.5% to 2.6%. The term of the loan ranges from 1 to 7 years. Option-pricing models were developed for use in estimating the value of traded options. Because the arrangements described above have certain characteristics that are significantly different from traded

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options and assumptions used can have a material impact, results from the model may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

The estimated fair value of these arrangements is \$10.1 million and \$14.3 million as of December 31, 2018 and 2017, respectively, which is reflected as a liability in *Accrued compensation and benefits* in the Consolidated Statements of Financial Condition. Related compensation expense of \$(4.3) million, \$4.4 million and \$1.6 million for the periods ended December 31, 2018, 2017 and 2016, respectively, is recorded in *Compensation and benefits* in the Consolidated Statements of Operations.

14. EMPLOYEE BENEFIT PLANS

The Company provides retirement plans to eligible employees globally. Most employees are covered by one of the defined contribution plans provided by subsidiaries located in the United States, the United Kingdom, Japan, Hong Kong, and Taiwan.

The Company provides a 401(k) plan (the “401(k) Plan”) for eligible employees in the United States. The Company will make matching contributions equal to 100% of eligible employees' contributions, up to a maximum of 5% of eligible cash compensation. All contributions, both employee and employer, are immediately vested. The Company may also choose to make a non-elective contribution on behalf of eligible employees; however, it did not make such a contribution in the years presented.

In certain locations outside the United States, the Company provides defined contribution plans for eligible employees. The Company makes contributions ranging from 5% to 9% of eligible compensation as defined by each plan. In addition to the automatic employer contribution, the plan in the United Kingdom provides employer matching of employee contributions up to 4%.

For the years ended December 31, 2018, 2017 and 2016, the Company incurred expense of \$5.3 million, \$5.2 million and \$5.1 million, respectively, for retirement plan benefits provided to employees globally which is recorded in *Compensation and benefits* in the Consolidated Statements of Operations. The Company accrued \$0.4 million and \$0.3 million as of December 31, 2018 and 2017, respectively, for retirement plan benefits in *Accrued compensation and benefits* in the Consolidated Statements of Operations.

15. COMMITMENTS AND CONTINGENCIES

Investment Commitments

As a general partner and manager of PineBridge private equity and other funds, the Company, including certain of its employees, had unfunded capital commitments of \$59.6 million and \$48.2 million as of December 31, 2018 and 2017, respectively. When the unfunded commitments are called the Company has an obligation to pay those commitments at that time. In addition, the Consolidated Investment Funds have unfunded capital commitments in underlying portfolio funds of \$2.5 million and \$4.1 million as of December 31, 2018 and 2017, respectively.

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Lease Commitments

PineBridge has contractual obligations under various long term non-cancelable lease and sublease arrangements, principally for office space, expiring on various dates through 2026. As these leases expire, it can be expected that in the normal course of business certain leases will be renewed or replaced. Certain lease agreements contain renewal options, rent escalation provisions based on certain costs incurred by the landlord or other inducements provided by the landlord. Rent expense is accrued to recognize lease escalation provisions and inducements provided by the landlord, if any, which is amortized on a straight-line basis over the lease term and renewal periods where applicable. As of December 31, 2018, approximate aggregate minimum future rental payments on the operating leases under these lease agreements, are as follows:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Thereafter</u>	<u>Total</u>
Aggregate future payments	\$ 19,900	\$ 19,295	\$ 12,782	\$ 12,371	\$ 11,833	\$ 23,850	\$ 100,031

Included in the table above is \$18.3 million of commitments related to office space that has been vacated and subsequently sublet.

The following table reflects rental expense under all operating leases and servicing agreements for the years ended December 31, 2018, 2017 and 2016:

	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>	<u>Year ended December 31, 2016</u>
Rent expense	\$ 17,929	\$ 17,974	\$ 18,018
Other operating leases	326	326	326
Less: sublease income	<u>(6,444)</u>	<u>(6,471)</u>	<u>(6,437)</u>
Net rent expense	<u>\$ 11,811</u>	<u>\$ 11,829</u>	<u>\$ 11,907</u>

Sublease income includes \$2.5 million, \$2.6 million and \$2.3 million from related parties in 2018, 2017 and 2016, respectively.

Other Commitments

Under terms of an administrative services provider agreement the Company is subject to contract termination fees. The service provider under this agreement performs operational investment and administrative services, including pricing, trade, other investment support and preparation of the books and records for certain managed accounts and investment funds which PineBridge manages.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The following table represents our termination fees if the contract is cancelled as of:

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Termination fee	\$ 4,900	\$ 2,750	\$ 950

Deferred Bonus Plan

The Company implemented a deferral provision for its annual discretionary bonus plan. The amount above the threshold is deferred on a gradual scale and is payable over a 3-year vesting period subject to certain future service provisions. During the three year deferral period, the unvested deferral balance accrues at market interest rate. During the years ended December 31, 2018 and 2017, compensation expense for the deferred bonus awards was \$8.1 and \$12.6, respectively and included in *Compensation and benefits* in the Consolidated Statements of Operations. The recognized liability for the vested portion of the deferral was \$8.1 million and \$12.6 million at December 31, 2018 and 2017, respectively and included in *Accrued compensation and benefits* in the Consolidated Statements of Financial Condition.

Approximate aggregate future payments related to the following years under the deferred bonus plan are as follows:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Aggregate future payments	\$ 10,645	\$ 7,495	\$ 4,068	\$ 22,208

Litigation and Contingencies

PineBridge is involved in judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its business. PineBridge recognizes liabilities for contingencies when there is an exposure that, when analyzed, indicates it is both probable that a liability will be incurred and the amount of such liability can be reasonably estimated. When a range of probable liability can be estimated, PineBridge accrues the amount it has determined it is most likely to incur. If the amount is not determinable, PineBridge accrues the minimum of the range of probable loss. The Company's management believes, based on currently available information, advice of counsel, and established reserves, that the eventual outcome of such proceedings, in the aggregate, will not have a material adverse effect on PineBridge's financial condition, results of operations or liquidity.

Contingent Obligations (Clawback)

Performance fees in the Consolidated Statements of Operations includes carried interest earned from private equity funds, funds of funds, and separate accounts managed by PineBridge. The portion of carried interest attributable to non-controlling interest holders is included within *Net income attributable to non-controlling interests in Consolidated Funds*. Carried interest is subject to clawback to the extent that the carried interest received to date exceeds the amount due to PineBridge based on cumulative results. As of December 31, 2018, the accrual for potential payment of previously received carried interest was \$5.4 million, of which \$4.3 million is related to PineBridge and is included in *Investments* as a contra asset, and \$1.1 million is related to current and former PineBridge employees and AIG, and is included in *Accrued compensation and benefits* and *Non-controlling interests*

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

in Consolidated Funds. As of December 31, 2017, the accrual for potential payment of previously received carried interest was \$5.9 million, of which \$4.5 million is related to PineBridge and is included in *Investments*, and \$1.4 million is related to current and former PineBridge employees and AIG, and is included in *Accrued compensation and benefits* and *Non-controlling interests in Consolidated Funds*.

Certain Carry Funds are not generating carried interest income due to unrealized and realized losses in the current and prior reporting periods. In certain cases, carried interest income will not be generated until additional unrealized and realized gains occur. Any appreciation would first cover the deductions for invested capital, unreturned organizational expenses, operating expenses, management fees and priority returns based on the terms of the respective fund agreements.

16. CAPITAL REQUIREMENTS

PineBridge operates in approximately 20 countries, providing investment advisory and asset management products and services to clients around the world. The Company's subsidiaries include approximately 25 regulated entities. Regulators include the U.S. Securities and Exchange Commission ("SEC"), the U.S. Financial Industry Regulatory Authority ("FINRA"), the UK Financial Conduct Authority ("UK FCA"), the Central Bank of Ireland, the Central Bank of Bahrain, the Hong Kong Securities and Futures Commission ("SFC"), the Monetary Authority of Singapore ("MAS"), the Japan Financial Services Agency ("Japan FSA"), and the Taiwan Financial Supervisory Commission ("Taiwan FSC").

Certain of these regulated subsidiaries are subject to minimum capital requirements.

The regulatory capital requirements referred to above may restrict the Company's ability to withdraw capital from its entities. At December 31, 2018 and 2017, approximately \$34.8 million and \$47.6 million, respectively, of capital is restricted based on such regulatory requirements.

17. SUBSEQUENT EVENTS

The Company's management has evaluated events occurring after the date of the consolidated financial statements (subsequent events) through May 21, 2019, the date the consolidated financial statements were available to be issued, to determine whether any subsequent events necessitate adjustment to or disclosure in the consolidated financial statements. The Company reported to its lenders on February 1, 2019 that it violated the covenant and obtained a \$20 million subscription agreement from its majority shareholder to remedy the violation. Thus, the Company has been able to make \$38 million of additional drawdowns on the credit facility. In seeking to remain compliant with the credit facility, effective May 21, 2019, the Company received a waiver of certain financial covenants from its lenders for prior periods through August 19, 2019.

In January 2019, the Company terminated its current lease agreement, paid \$3.5 million in termination fees and entered into a new lease agreement for its New York location, which totals an \$80.1 million commitment through 2035.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

UNAUDITED SUPPLEMENTAL CONSOLIDATING STATEMENTS OF FINANCIAL CONDITION AND CONSOLIDATING STATEMENTS OF OPERATIONS

Under GAAP, the Company's consolidated financial statements include three broad groups of entities:

- all wholly owned or majority owned subsidiaries (“PineBridge Operating Entities”);
- Consolidated CLO Vehicles with assets of over \$4.5 billion and \$4.1 billion at December 31, 2018, and 2017, respectively; and no net effect to net income (loss) for 2018, 2017 and 2016.
- Consolidated Investment Funds with assets of over \$0.1 billion and \$0.1 billion at December 31, 2018 and 2017, respectively, and net loss of \$4.6 million in 2017, net income of \$9.6 million in 2017 and net income of \$7.4 million in 2016.

Unrelated parties own the notes issued by the Consolidated CLO Vehicles, except for the notes owned by the Company with an aggregate fair value of \$191.4 million at December 31, 2018. The Consolidated Investment Funds are owned by third parties through limited partnership interests, except for an aggregate fair value investment by the Company of \$19.8 million at December 31, 2018. Refer to *Note 7, Consolidated Funds and Variable Interest Entities* for additional information.

The following Unaudited Consolidating Statements of Financial Condition and Consolidating Statements of Operations present the consolidation of the separate financial statements of the PineBridge Operating Entities, the Consolidated CLO Vehicles, and the Consolidated Investment Funds. Fees earned by PineBridge Operating Entities from the Consolidated CLO Vehicles and Consolidated Investment Funds and other intercompany transactions and balances have been eliminated in consolidation.

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

Unaudited Consolidating Statement of Financial Condition (\$000s)

	December 31, 2018				
	Pine Bridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and eliminations	Total
Assets					
Cash and cash equivalents	\$ 115,103	\$ -	\$ -	\$ -	\$ 115,103
Investments	517,209	-	-	(213,436)	303,773
Assets of Consolidated Funds					
Cash and cash equivalents	-	218,024	2,467	-	220,491
Investments, at fair value	-	4,271,625	61,807	-	4,333,432
Receivables and other assets	-	44,422	1,063	-	45,485
Receivables, net					
Fees receivable, net	55,463	-	-	(4,158)	51,305
Other receivables	10,688	-	-	(173)	10,515
Due from affiliates	30,000	-	-	-	30,000
Furniture, fixtures and leasehold improvements	16,387	-	-	-	16,387
Intangible assets, net	36,309	-	-	-	36,309
Prepaid expenses and other assets	18,315	-	-	-	18,315
Deferred tax assets	3,123	-	-	-	3,123
Total Assets	\$ 802,597	\$ 4,534,071	\$ 65,337	\$ (217,767)	\$ 5,184,238
Liabilities and Partners' Capital					
Liabilities					
Loans payable	\$ 370,150	\$ -	\$ -	\$ -	\$ 370,150
Loans under repurchase agreements	70,252	-	-	-	70,252
Liabilities of Consolidated Funds					
Notes and loans payable, at fair value	-	4,332,890	-	(191,354)	4,141,536
Other liabilities	-	201,181	107	(4,331)	196,957
Accrued compensation and benefits	131,320	-	-	-	131,320
Accrued expenses and other payables	31,929	-	-	-	31,929
Other liabilities	19,054	-	-	-	19,054
Deferred tax liabilities	1,363	-	-	-	1,363
Total Liabilities	624,068	4,534,071	107	(195,685)	4,962,561
Partners' Capital					
Partners' capital	157,067	-	22,082	(22,082)	157,067
Accumulated other comprehensive income	6,057	-	-	-	6,057
Non-controlling interests in Consolidated Funds	-	-	43,148	-	43,148
Non-controlling interests in PineBridge	15,405	-	-	-	15,405
Total Partners' Capital	178,529	-	65,230	(22,082)	221,677
Total Liabilities and Partners' Capital	\$ 802,597	\$ 4,534,071	\$ 65,337	\$ (217,767)	\$ 5,184,238

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

Unaudited Consolidating Statement of Financial Condition (\$000s)

	December 31, 2017				
	Pine Bridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and eliminations	Total
Assets					
Cash and cash equivalents	\$ 92,238	\$ -	\$ -	\$ -	\$ 92,238
Investments	501,877	-	-	(150,857)	351,020
Assets of Consolidated Funds					
Cash and cash equivalents	-	431,111	2,753	-	433,864
Investments, at fair value	-	3,520,833	68,297	-	3,589,130
Receivables and other assets	-	49,350	1,175	-	50,525
Receivables, net					
Fees receivable, net	64,192	-	-	(2,422)	61,770
Other receivables	23,664	-	-	(450)	23,214
Furniture, fixtures and leasehold improvements	20,249	-	-	-	20,249
Intangible assets, net	45,846	-	-	-	45,846
Prepaid expenses and other assets	24,524	-	-	-	24,524
Deferred tax assets	2,967	-	-	-	2,967
Total Assets	\$ 775,557	\$ 4,001,294	\$ 72,225	\$ (153,729)	\$ 4,695,347
Liabilities and Partners' Capital					
Liabilities					
Loans payable	\$ 265,916	\$ -	\$ -	\$ -	\$ 265,916
Loans under repurchase agreements	44,348	-	-	-	44,348
Liabilities of Consolidated Funds					
Notes and loans payable, at fair value	-	3,570,193	-	(126,742)	3,443,451
Other liabilities	-	431,101	454	(2,770)	428,785
Accrued compensation and benefits	157,148	-	-	-	157,148
Accrued expenses and other payables	36,068	-	-	-	36,068
Other liabilities	30,095	-	-	-	30,095
Deferred tax liabilities	1,850	-	-	-	1,850
Total Liabilities	535,425	4,001,294	454	(129,512)	4,407,661
Partners' Capital					
Partners' capital	211,895	-	24,217	(24,217)	211,895
Accumulated other comprehensive income	8,033	-	-	-	8,033
Non-controlling interests in Consolidated Funds	-	-	47,554	-	47,554
Non-controlling interests in PineBridge	20,204	-	-	-	20,204
Total Partners' Capital	240,132	-	71,771	(24,217)	287,686
Total Liabilities and Partners' Capital	\$ 775,557	\$ 4,001,294	\$ 72,225	\$ (153,729)	\$ 4,695,347

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

Unaudited Consolidating Statement of Operations (\$000s)

	Year ended December 31, 2018				
	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and eliminations	Total
Revenues:					
Investment advisory fees	\$ 301,897	\$ -	\$ -	\$ (17,225)	\$ 284,672
Performance fees	(7,554)	-	-	493	(7,061)
Other revenues	3,324	-	-	-	3,324
Total Revenues	297,667	-	-	(16,732)	280,935
Operating Expenses:					
Compensation and benefits	210,907	-	-	-	210,907
Rent and occupancy	14,029	-	-	-	14,029
Depreciation and amortization	17,143	-	-	-	17,143
Professional fees	12,167	-	-	(32)	12,135
Distribution, placement, and brokerage fees	42,808	-	-	-	42,808
Sub-advisory fees	11,303	16,655	570	(17,225)	11,303
Information technology and services	23,691	-	-	-	23,691
General, administrative and other	36,055	-	-	-	36,055
Total Operating Expenses	368,103	16,655	570	(17,257)	368,071
Other Income:					
Income from Consolidated Funds					
Net gains from investment activities	-	30,522	(3,795)	(14,784)	11,943
Other income	-	4,312	-	-	4,312
Other expense	-	(18,179)	(239)	-	(18,418)
Interest income	2,356	-	-	-	2,356
Interest expense	(18,573)	-	-	-	(18,573)
Income (loss) from investments	(3,896)	-	-	16,111	12,215
Foreign exchange and other income (loss)	(4,196)	-	-	-	(4,196)
Total Other Income (Loss)	(24,309)	16,655	(4,034)	1,327	(10,361)
Income (Loss) Before Income Tax Provision	(94,745)	-	(4,604)	1,852	(97,497)
Income tax provision	5,723	-	-	-	5,723
Net Income (Loss)	(100,468)	-	(4,604)	1,852	(103,220)
Less - Net income attributable to non-controlling interests in Consolidated Funds	-	-	(2,752)	-	(2,752)
Less - Net income (loss) attributable to non-controlling interests in PineBridge	2,584	-	-	-	2,584
Net (Loss) Attributable to PineBridge	\$ (103,052)	\$ -	\$ (1,852)	\$ 1,852	\$ (103,052)

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

Unaudited Consolidating Statement of Operations (\$000s)

	Year ended December 31, 2017				
	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and eliminations	Total
Revenues:					
Investment advisory fees	\$ 302,936	\$ -	\$ -	\$ (12,890)	\$ 290,046
Performance fees	19,094	-	-	(444)	18,650
Other revenues	2,353	-	-	-	2,353
Total Revenues	324,383	-	-	(13,334)	311,049
Operating Expenses:					
Compensation and benefits	220,751	-	-	-	220,751
Rent and occupancy	13,439	-	-	-	13,439
Depreciation and amortization	18,796	-	-	-	18,796
Professional fees	11,717	-	-	(32)	11,685
Distribution, placement, and brokerage fees	46,541	-	-	-	46,541
Sub-advisory fees	14,360	12,184	706	(12,890)	14,360
Information technology and services	22,916	-	-	-	22,916
General, administrative and other	36,257	-	-	-	36,257
Restructuring charges	125	-	-	-	125
Total Operating Expenses	384,902	12,184	706	(12,922)	384,870
Other Income:					
Income from Consolidated Funds					
Net gains from investment activities	-	26,306	10,683	6,372	43,361
Other income	-	3,453	9	-	3,462
Other expense	-	(17,575)	(346)	-	(17,921)
Interest income	2,538	-	-	-	2,538
Interest expense	(12,176)	-	-	-	(12,176)
Income (loss) from investments	63,368	-	-	(10,115)	53,253
Foreign exchange and other income (loss)	6,945	-	-	-	6,945
Total Other Income (Loss)	60,675	12,184	10,346	(3,743)	79,462
Income (Loss) Before Income Tax Provision	156	-	9,640	(4,155)	5,641
Income tax provision	4,246	-	-	-	4,246
Net Income (Loss)	(4,090)	-	9,640	(4,155)	1,395
Less - Net income attributable to non-controlling interests in Consolidated Funds	-	-	5,485	-	5,485
Less - Net income (loss) attributable to non-controlling interests in PineBridge	3,911	-	-	-	3,911
Net (Loss) Attributable to PineBridge	\$ (8,001)	\$ -	\$ 4,155	\$ (4,155)	\$ (8,001)

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

Unaudited Consolidating Statement of Operations (\$000s)

	Year ended December 31, 2016				
	PineBridge Operating Entities	Consolidated CLO Vehicles	Consolidated Investment Funds	Reclasses and eliminations	Total
Revenues:					
Investment advisory fees	\$ 288,746	\$ -	\$ -	\$ (14,684)	\$ 274,062
Performance fees	47,013	-	-	(362)	46,651
Other revenues	3,505	-	-	-	3,505
Total Revenues	339,264	-	-	(15,046)	324,218
Operating Expenses:					
Compensation and benefits	221,201	-	-	-	221,201
Rent and occupancy	14,193	-	-	-	14,193
Depreciation and amortization	28,083	-	-	-	28,083
Professional fees	14,012	-	-	(31)	13,981
Distribution, placement, and brokerage fees	44,643	-	-	-	44,643
Sub-advisory fees	10,594	14,032	652	(14,684)	10,594
Information technology and services	25,009	-	-	-	25,009
General, administrative and other	38,025	-	-	(3)	38,022
Restructuring charges	3,561	-	-	-	3,561
Total Operating Expenses	399,321	14,032	652	(14,718)	399,287
Other Income:					
Income from Consolidated Funds					
Net gains from investment activities	-	17,003	7,633	13,744	38,380
Other income	-	5,669	778	-	6,447
Other expense	-	(8,640)	(318)	-	(8,958)
Net gains from investment activities	-	-	-	-	-
Interest income	2,242	-	-	-	2,242
Interest expense	(9,926)	-	-	-	(9,926)
Income (loss) from investments	37,510	-	-	(16,175)	21,335
Foreign exchange and other income (loss)	(450)	-	-	(205)	(655)
Total Other Income (Loss)	29,376	14,032	8,093	(2,636)	48,865
Income (Loss) Before Income Tax Provision	(30,681)	-	7,441	(2,964)	(26,204)
Income tax provision	11,312	-	-	-	11,312
Net Income (Loss)	(41,993)	-	7,441	(2,964)	(37,516)
Less - Net income attributable to non-controlling interests in Consolidated Funds	-	-	4,477	-	4,477
Less - Net income (loss) attributable to non-controlling interests in PineBridge	2,129	-	-	-	2,129
Net (Loss) Attributable to PineBridge	\$ (44,122)	\$ -	\$ 2,964	\$ (2,964)	\$ (44,122)

PINEBRIDGE INVESTMENTS, L.P. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS IN THOUSANDS, EXCEPT WHERE NOTED)

List of Consolidated Funds

The investment funds and CLOs included in the consolidated financial statements are indicated below for each year by ✓.

Investment Funds:	2016	2017	2018
PineBridge Structured Capital Partners II, L.P.	✓	✓	✓
PineBridge Global Emerging Markets Corporate Bond Fund	✓	✓	✓

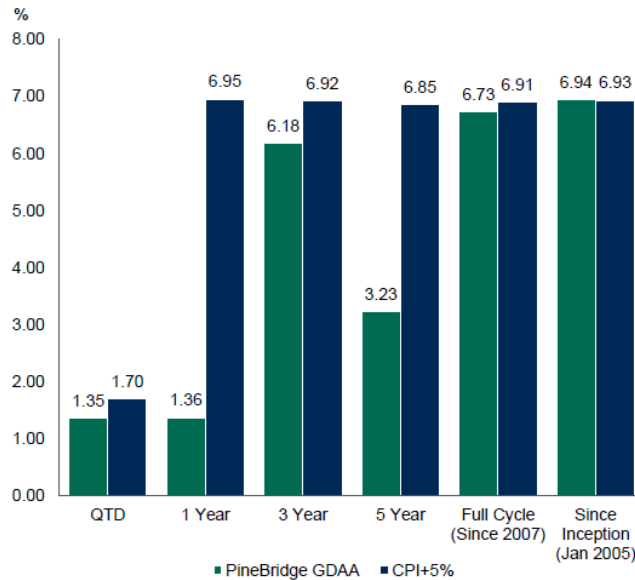
Collateralized Loan Obligation Vehicles:	2016	2017	2018
Galaxy XI CLO, Ltd.	✓		
Galaxy XVI CLO, Ltd.	✓	✓	✓
Galaxy XVII CLO, Ltd.	✓	✓	✓
Galaxy XIX CLO, Ltd.	✓	✓	✓
Galaxy XXI CLO, Ltd.	✓	✓	✓
Galaxy XXII CLO, Ltd.	✓	✓	✓
Galaxy XXIII CLO, Ltd.	✓	✓	✓
Galaxy XXIV CLO, Ltd.		✓	✓
Galaxy XXV CLO, Ltd.		✓	✓
Galaxy XXVI CLO, Ltd.			✓
Galaxy XXVII CLO, Ltd.			✓
Galaxy XXVIII CLO, Ltd.			✓
Euro-Galaxy III CLO B.V.	✓		
Euro-Galaxy IV CLO B.V.	✓	✓	✓
Euro-Galaxy VI CLO B.V.		✓	✓
Euro-Galaxy VII CLO B.V.			✓

APPENDIX 1

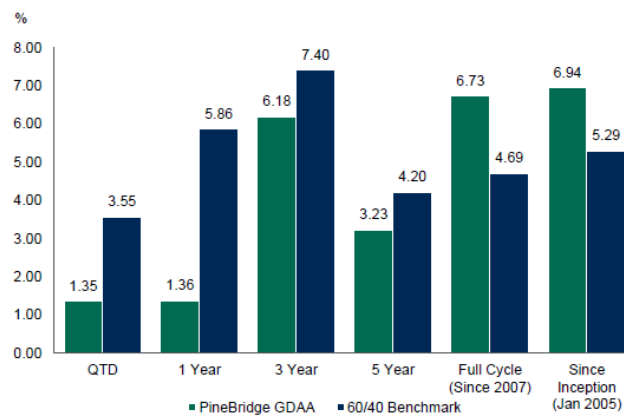
Multi-asset relative performance

Investment performance: The diagrams below illustrate the performance of the Group's multi-asset composite relative to the total return objective of the CPI plus five per cent. over rolling five years and the 60/40 benchmark.

Relative to Total Return Objective of CPI¹ + 5% Over Rolling 5-Years



Relative to 60/40²



Annualized Return and Volatility (Full Cycle Since Jan 2007)

	Return	Volatility
PineBridge GDA	6.73%	10.25%
60/40 Risk Budget ³	4.69%	10.57%

Notes:

- (1) CPI is defined as U.S. consumer price index ex-food and energy.

- (2) 60/40 benchmark represents 60% MSCI ACWI (Net) Index/40% FTSE World Government Bond Index (USD Unhedged) from 1 January 2005 to 31 July 2018 and 60% MSCI ACWI (Net) Index/40% Bloomberg Barclays Global Treasury Total Return Index (USD Unhedged) from 1 August 2018 to 30 June 2019. The 60/40 is a relative return benchmark, which is included for products or jurisdictions that need investable indices for performance.
- (3) Risk budget is the total portfolio risk driven by our intermediate-term views, and averages to 60/40 benchmark over full cycles.
- (4) As of 30 June 2019. Reflects the performance of the PineBridge Multi-Asset Composite. The performance results presented are gross of fees and do not reflect the deduction of investment advisory fees and expenses. Schedule of Rate of Return and Notes to the Schedule of Rates of Return are available upon request. See Appendix 2 of this Offering Circular for further information.

Fixed income

Investment performance: The majority of the Group's fixed income strategies have posted consistently strong track records, particularly on a risk adjusted basis, and have outperformed their benchmarks over major periods. The table below sets forth the relative performance (versus respective benchmarks) of the Group's focus fixed income strategies across each sub-asset class as at 30 June 2019.

Asset Class	PineBridge Composite / Strategy¹	1 Year	3 Years	5 Years	Index
Developed Markets Investment Grade	USD Investment Grade Credit Composite	0.73%	0.52%	0.48%	Bloomberg Barclays US Credit Bond Index
	USD Long Duration Credit Bond Composite	0.56%	0.27%	0.65%	Bloomberg Barclays Long Credit Index
	US Inflation Protected Bond Composite	0.75%	1.08%	0.26%	Bloomberg Barclays US TIPS Index
Leveraged Finance.....	Total Return Aggregate (Leveraged Loans)	(0.13%)	0.34%	0.49%	S&P/LSTA Leveraged Loan Index
	High Yield Bond Composite	0.11%	1.60%	0.73%	Bloomberg Barclays US Corporate High Yield Bond Index
	High Yield BB-Rated Bond Composite	(0.50%)	1.17%	0.76%	FTSE High-Yield Cash-Pay BB Index
Emerging Markets	Global EM Corporate Bond Composite	0.38%	(0.04%)	(0.70%)	JP Morgan CEMBI Broad Diversified Index
	Global EM Investment Grade Corporate Bond Composite	0.85%	0.40%	0.18%	JP Morgan CEMBI Broad Diversified Investment Grade
	Global EM Investment Grade Corporate Bond Plus Composite	0.45%	0.63%	0.25%	JP Morgan CEMBI Broad Diversified Investment Grade
	Global EM Local Currency Bond Composite	(2.46%)	(1.44%)	(0.20%)	JP Morgan Government Bond Index EM Global Diversified
	Asian USD Investment Grade Bond Composite	1.12%	0.76%	0.63%	JACI Investment Grade Total Return Index
	Asian USD Bond Composite	1.67%	2.08%	1.04%	JACI Composite Total Return Index
Multi-Sector.....	Strategic Bond Composite	(0.07%)	0.57%	0.13%	10% FTSE Non-USD Wld Govt, 35% BBG

Asset Class	PineBridge Composite / Strategy¹	1 Year	3 Years	5 Years	Index
					Barclays Agg, 35% BBG Barclays High Yield 2% Issuer, 20% JPMorgan EMBI GD
	Dynamic Fixed Income Composite	2.03%	3.42%	–	3-Month USD LIBOR

Note:

- (1) The performance returns do not reflect the deduction of investment advisory fees and would be reduced by such fees and other expenses. The investment advisory fees are described in other materials of the Group, which is available upon request. Composite, Strategy and Aggregate performance must be read in conjunction with the Scheduled Rate Of Returns (“SROR”), Notes to SROR, and strategy endnotes available upon request. Aggregate and Strategy performance is presented as supplemental to the Composite. The Group is not soliciting or recommending any action based on this material.

Equities

Investment performance: The tables below sets forth the relative performance of some of the Group’s equities strategies as at 30 June 2019¹.

	1 Year	3 Years	5 Years	10 Years	Since Inception	Index
Global						MSCI All Country World DTR Net
Global Focus Equity Composite	(3.75)	(0.96)	1.07	---	0.84	
Regional						S&P Pan Asia ex Japan Under USD1.5 Billion Net
Asia ex-Japan Small Cap Equity Composite	7.84	6.56	7.13	8.54	6.67	
Country						MSCI Japan Small Cap DTR Net
Japan Small Cap Equity Composite ²	(7.79)	1.73	3.17	4.86	4.52	
						MSCI Emerging Markets India DTR Net
India Equity Composite	(2.09)	(2.62)	5.57	5.04	5.30	
Global						MSCI All Country World DTR Net
Global Strategic Alpha Equity Composite	(4.92)	2.29	2.28	–	2.79	
Regional						MSCI Europe Equity Total Return Net
Europe Research Enhanced Equity Composite ..	(2.21)	(0.52)	(0.01)	0.57	0.65	
Country						Standard & Poor’s 500 Total Return
US Research Enhanced Equity Plus Composite	(3.07)	0.19	(0.47)	0.51	0.74	

	1 Year	3 Years	5 Years	10 Years	Since Inception	Index
US Research Enhanced Equity Core Composite	(1.69)	(0.18)	0.19	0.69	0.82	Standard & Poor's 500 Total Return
US Research Enhanced Equity Growth Composite	(3.29)	(1.74)	(1.15)	0.24	0.39	Standard & Poor's 500 Total Return
US Research Enhanced Equity Value Composite	(2.62)	0.77	0.34	0.45	0.91	Standard & Poor's 500 Total Return

Notes:

- (1) Represents the gross performance of the Composites and Strategies shown relative to each respective benchmark as of 30 June 2019. Performance shown is supplemental to Composite presentation. Due to rounding, totals are approximate. Past performance is not necessarily indicative of future results. Schedule of Rates of Return and Notes to the Schedule of Rates of Return available upon request.
- (2) Gross performance of the Composites and Strategies shown relative to each respective benchmark is calculated in JPY. Benchmarks are used for illustrative purposes only, and any such references should not be understood to mean there would necessarily be a correlation between investment returns of any investment and any benchmark. An investor generally cannot invest in a benchmark, and any referenced benchmark does not reflect fees and expenses associated with the active management of any investment.

Alternatives – Select strategies

PineBridge Private Credit¹

Fund Name	Number of closed transactions	Committed	Invested³	Weighted Average Coupon Rate
<i>As at 30 June 2019</i>				
Private Credit (Direct Lending)	17	\$1,383,300	\$484,623	9.0%

PineBridge Structured Capital²

Fund Name	Number of closed transactions	Fund Size	Net IRR	Net TVPI
<i>As at 31 March 2019</i>				
<i>in U.S.\$'000</i>				
Structured Capital I	28	\$619,311	16.6%	1.62x
Structured Capital II	10	\$245,000	8.9%	1.30x
Structured Capital III	9	\$600,000	-9.4%	0.82x

PineBridge Secondary Partners³

Fund Name	Total Fund Size	Contributed and Reserved	Net IRR	Net TVPI
		<i>As at 31 March 2019</i>		
	<i>in U.S.\$ '000</i>	<i>in U.S.\$ '000</i>		
Other Secondary Investments	125,576	94,411	16.7%	1.52x
PSP I.....	700,000	523,467	29.5%	1.65x
PSP II.....	718,778	795,673	10.3%	1.37x
PSP III	307,980	449,224	12.1%	1.20x
PSP IV	568,006	534,926	22.4%	1.16x
PSOP	880,000	880,000	NA	1.41x
Total.....	\$3,300,340	\$3,277,701	17.8%	1.40x

Notes:

- (1) “Committed” represents the current PineBridge Private Credit platform and includes capital commitments in PineBridge Private Credit, L.P. (the “**Fund**”) of \$208.3 million, target allocations from separate managed account (SMA) clients closed to-date of \$975.0 million, and the Fund’s leverage facility of \$200.0 million. Figure represents the total PineBridge Private Credit platform of \$1.4 billion as of 30 June 2019. “Invested Capital” represents inception to date capital deployed, net of original issue discount, across the underlying loans in the PineBridge Private Credit Portfolio. The weighted average coupon rate across the PineBridge Private Credit Portfolio is weighted by the PineBridge Initial Principal amount by underlying loan. PineBridge Initial Principal represents aggregate initial principal amount of the loan held by the PineBridge Private Credit Portfolio (across the Fund and certain SMA accounts) including amounts committed but undrawn as of the closing date including revolving credit facilities and delayed draw term loans. Includes follow-on amounts where applicable. The coupon rate is as of initial funding date or last follow-on date where applicable, for each respective loan including applicable LIBOR rate at that point in time. LIBOR and spread subject to change over the life of the loan.
- (2) Please see the section entitled “PineBridge Structured Capital Track Record Footnotes” in Appendix 2 of this Offering Circular for important information relating to the performance of Structured Capital I (“**SCI**”), Structured Capital II (“**SCII**”) and Structured Capital III (“**SCIII**”).
- (3) Data based on PSP I, PSP II, PSP III, PSP IV, and PSOP’s (collectively, the “**PSP Funds**”) unaudited financial statements, for Other Secondary Investments is based on unaudited financial statements. In all cases data includes information provided by underlying fund managers that may be unaudited and have not been independently verified by the Group. All data and return information shown is calculated in U.S. dollars. The performance information presented herein reflects unrealised values as well as realised proceeds, and actual results ultimately realized may vary significantly from the information presented. Please refer to the section entitled “Notes to PineBridge Secondary Investment Performance” of this Appendix 2 of this Offering Circular for more information.

APPENDIX 2

Disclosure Statement

PineBridge Investments is a group of international companies that provides investment advice and markets asset management products and services to clients around the world. PineBridge Investments is a registered trademark proprietary to PineBridge Investments IP Holding Company Limited.

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Opinions: Any opinions expressed in this document represent the views of the manager, are valid only as of the date indicated, and are subject to change without notice. There can be no guarantee that any of the opinions expressed in this document or any underlying position will be maintained at the date of this Offering Circular or thereafter. We are not soliciting or recommending any action based on this material.

Risk Warning: All investments involve risk, including possible loss of principal. If applicable, the offering document should be read for further details including the risk factors. Our investment management services relate to a variety of investments, each of which can fluctuate in value. The investment risks vary between different types of instruments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange may cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio, the loss on realization or cancellation may be very high (including total loss of investment), as the value of such an investment may fall suddenly and substantially. In making an investment decision, prospective investors must rely on their own examination of the merits and risks involved.

Performance Notes: Past performance is not indicative of future results. There can be no assurance that any investment objective will be met. PineBridge Investments often uses benchmarks for the purpose of comparison of results. Benchmarks are used for illustrative purposes only, and any such references should not be understood to mean there would necessarily be a correlation between investment returns of any investment and any benchmark. Any referenced benchmark does not reflect fees and expenses associated with the active management of an investment. PineBridge Investments may, from time to time, show the efficacy of its strategies or communicate general industry views via modeling. Such methods are intended to show only an expected range of possible investment outcomes, and should not be viewed as a guide to future performance. There is no assurance that any returns can be achieved, that the strategy will be successful or profitable for any investor, or that any industry views will come to pass. Actual investors may experience different results.

Information is unaudited unless otherwise indicated, and any information from third-party sources is believed to be reliable, but PineBridge Investments cannot guarantee its accuracy or completeness.

Multi-Asset Sound Basis Disclosure

PineBridge Global Dynamic Asset Allocation targets a return of CPI¹+ 5% (gross), measured as the annualized total return of the portfolio, over a complete market cycle (5 years). As of 30 June 2019, the PineBridge Multi-Asset Composite returned 3.23% (gross) on a 5 year annualized basis. Additionally, the alpha over a full-cycle (1 Jan 2007 to 30 June 2019) was approximately -0.18% over the total return benchmark. It is worth noting that this return is over a period when markets witnessed the Global Financial Crisis, which further emphasized the need to look beyond just diversification, and towards forward-looking strategies that are managed dynamically. The PineBridge Global Multi-Asset Team's philosophy is to derive most of our alpha from selecting beta. Historically approximately 3/4th of the strategy's alpha has been in asset allocation with approximately 1/4th

due to security selection alpha of the underlying managers. Part of this is our preference for highly diversified underlying security selection sub-strategies with the objective of these contributing over time yet never in a position to meaningfully detract from our asset allocation results.

The targeted return for Global Dynamic Asset Allocation represents the manager's estimated guideline or comparative measure regarding annual performance returns averaged over a time horizon. The PineBridge Global Multi-Asset Team assumes the targeted return will be achieved over a complete market cycle (5 years). It reflects a guideline which the manager considers reasonable having considered market phases (rise, selloff, and stall phases), as well as the forward looking risk/return profiles for each asset class. While traditional asset allocation decisions assume static market condition, the PineBridge Global Multi-Asset Team believes the market does change from time to time and timely asset allocation decisions can be made dynamically to produce a competitive return. These returns have been achieved using a dynamic management of risk, which has translated into a realized volatility of 8%-10% on an annualized basis over market cycles. Investors should be advised that there can be no assurance that the targeted return will be met, or met over any particular time horizon. If one or more of the assumptions used in the formulation of the targeted return turns out to be incorrect, the target may not be achieved.

Targeted returns do not take into account unanticipated material changes in the market and/or other economic conditions affecting the investments, transaction costs that may arise, the imposition of taxes and the actual sale or trade of investments. As a result, there can be no assurance that the manager took into account all relevant variances affecting these results or that the assumptions are accurate in light of actual changes in the market and/or economic conditions affecting the investments. Targeted returns should not be relied upon as the sole basis of an investment decision. Targeted returns are calculated gross of management and incentive fees, as well as operating expenses. Had such fees been taken into account, the results would be lower.

Note:

(1) As of 30 June 2019. CPI is defined as US CPI ex-food & energy.

PineBridge Total Return Aggregate Endnotes

The performance summary presented is representative of the PineBridge Total Return Aggregate. The Aggregate is managed by PineBridge Investments, LLC and has been managed by PineBridge and its predecessors since its inception of 01 January 2001. The performance returns for the Aggregate are calculated on a settlement date basis and exclude cash.

The PineBridge Total Return Aggregate currently consists of senior secured leveraged loans held across several portfolios including:

Portfolio 1 – US Insurance Company Pension Plan (Included – 01 May 2017)

Portfolio 2 – Australian Investment Advisory Fund (Included – 01 May 2017)

Portfolio 3 – UK Insurance Company Separate Account (Included – 01 October 2017)

Portfolio 4 – Dutch Asset Manager Pension Fund (Included – 01 June 2015)

Portfolio 5 – US Insurance Company Credit Fund (Included – 01 November 2017)

Portfolio 6 – Bermuda Reinsurance Company Separate Account (Included – 01 January 2014)

Portfolio 7 – Ireland UCITS Fund (Included – 01 May 2017)

Portfolio 8 – Luxembourg Commingled Fund (Included – 01 June 2014)

Portfolio 9 – Australian Public Sector Advisory Fund (Included – 01 August 2017)

Portfolio 10 – Cayman Islands Commingled Fund (Included – 01 July 2013)

Portfolio 11 – Japan Life Insurance Company Separate Account (Included – 01 August 2014)

Portfolio 12 – US Public Sector Pension Separate Account (Included – 01 October 2011)

Portfolio 13 – US Public Sector Pension Separate Account (Included – 01 August 2015)

Portfolio 14 – US Investment Manager Multi-Asset Fund (Included – 01 May 2017)

The benchmark for the PineBridge Total Return Aggregate is the S&P/LSTA Leveraged Loan Index, which is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon market weightings, spreads, and interest payments. The Index consists of term loans from syndicated credits that must be senior secured, have a minimum initial term of one year, be denominated in US Dollars, maintain a minimum initial spread of LIBOR + 125, and have a minimum initial funding size of \$50 million USD. Indices are unmanaged. An investor cannot invest directly in an index.

The performance figures of the Aggregate reflect realized gains/losses, unrealized gains/losses, earned income, and earned fees/dividends. The returns are time-weighted on a monthly basis using the Average Capital Base methodology and are compounded monthly. The Average Capital Base methodology includes the time-weighted principal cash flows, including purchases and sales, although it excludes the income cash flows, including accrued interest.

Unless otherwise noted, performance returns contained in this report do not reflect the deduction of investment advisory fees. The returns in this report will be reduced by the advisory fees and any other expenses incurred in the management of an investment account.

The following is an example of the effect of compounded advisory fees over a period of time on the value of a portfolio: A portfolio with a beginning value of \$100, gaining a return of 10% per annum would grow to \$259 after 10 years, assuming no fees have been paid. Conversely, a portfolio with a beginning value of \$100, gaining a return of 10% per annum, but paying a fee of 1% per annum, would only grow to \$235 after 10 years. The annualized returns over the 10 year time period are 10.00% (gross of fees) and 8.91% (net of fees). If the fee in the above example was 0.25% per annum, the portfolio would grow to \$253 after 10 years and return 9.73% net of fees. The fees were calculated on a monthly basis, which shows the maximum effect of compounding.

Notes to PineBridge Secondary Investment Performance

1. Data based on PSP I, PSP II, PSP III, PSP IV, and PSOP's (collectively, the "**PSP Funds**") unaudited financial statements, for Other Secondary Investments is based on unaudited financial statements. In all cases data includes information provided by underlying fund managers that may be unaudited and have not been independently verified by PineBridge Investments. All data and return information shown is calculated in US dollars. The performance information presented herein reflects unrealized values as well as realized proceeds, and actual results ultimately realized may vary significantly from the information presented. This performance information should not be viewed as indicative of future investments or performance of the fund and there can be no assurance that any fund will achieve comparable results. The performance figures shown for each of the PSP funds reflect fund level returns. PineBridge Investments uses US generally accepted accounting principles ("**US GAAP**") in determining the fair value of the assets of its managed funds and accounts. The values of unrealized investments are generally determined using the values as provided by each underlying general partner or manager as applicable, as a practical expedient in accordance with the valuation guidelines contained in ASC 820 (formerly FAS 157). Their values are subject to inherent uncertainties and may not be indicative of current or ultimate realizable value. In addition, in considering the IRR data (and for recent transactions in particular), investors should be aware that the returns are impacted by the purchase discounts or

premiums applicable to the acquisition of the interests in the underlying funds and investments, whose impact is greater in the period immediately following the acquisition; over time the IRR data will increasingly reflect the performance of the underlying investments. Actual realized returns on unrealized investments by the underlying investment funds will depend on, among other factors, future operating results of underlying portfolio companies, the value of the assets and market conditions at the time of disposition, limitations on liquidity, and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the unrealized values used in the prior performance data contained herein are based. Accordingly, the actual realized returns on unrealized investments to the underlying investment funds, and therefore each PSP Fund or account (and any new fund or account in marketing), may differ materially from the returns indicated herein. Past performance is not indicative of future results. Where applicable, performance reflects the reinvestment of dividends, distributions and other earnings and proceeds. IRRs are calculated based on the actual dates of capital contributions from, and distributions to, investors; thus, the use of credit facility drawdowns in advance of calling capital will have caused the actual dates on which capital contributions were made by the investors to be later in time, resulting in a higher IRR, than would have been if such drawdowns had not been used. This effect is pronounced in the case of a secondary fund which purchases investments at a discount to NAV, even taking into account the cost of the facility. Thus, it should be assumed that the impact in the case of funds in and shortly after their investment period is or will be material. Certain investors affiliated with or under common control with PineBridge Investments (including the sponsor commitment outside of the General Partner's commitment and the General Partner's commitment) are charged lower or no management fees and/or carried interest. As a result of such differentials, the net performance data would be lower if such investors paid the same fees and carried interest as the other limited partners in the applicable fund.

2. "Other Secondary Investments" represents a pool of secondary transactions from 2002 to 2018, including those completed prior to the close of PineBridge Secondary Partners, L.P. as well as co-investments made alongside the PSP Funds as of March 31, 2019. For certain Other Secondary Investments, PineBridge Investments charges carried interest on an individualized basis per client, and management fees that also differ client to client. The actual terms were used to compute Net TVPI and Net IRR. Returns for Other Secondary Investments reflect some investments with very short holding periods and insignificant distributions and do not yet reflect substantial realizations. Therefore, the performance information of such investments is not meaningful at this time.
3. "Total Fund Size" represents (a) in the case of Other Secondary Investments, the aggregate purchase price of assets acquired plus the aggregate unfunded capital commitments assumed as of the relevant reference dates and (b) in the case of PSP I, PSP II, PSP III, PSP IV and PSOP, the aggregate capital commitments to those funds. Certain unfunded capital commitments assumed in connection with Other Secondary Investments are based on the total amount at the time of purchase, and the actual amount of unfunded commitment may or may not be called in full going forward. With the exception of Total Fund Size, data is at the LP level only.
4. "Contributed and Reserved" represents (a) in the case of Other Secondary Investments, the LP Capital Contributed; (b) in the case of PSP I, PSP II, PSP III, PSP IV and PSOP, the sum of (A) such LP Capital Contributed and (B) the cumulative amounts reserved for future contribution of unfunded commitments to underlying investment funds, outstanding credit facility balances, outstanding deferral payments on closed transactions, and for fund expenses.
5. "Net IRR" represents the internal rate of return to the limited partners, net of all management fees, carried interest and other fund expenses borne by the relevant fund/account in connection with the underlying investment funds or other investment vehicles and after the fund/account level fees expenses

and carried interest borne by the limited partners. This IRR is annualized and calculated on the basis of daily inflows to and outflows from the underlying investment funds or other investment vehicles and assumes that the unrealized value with respect to unrealized investments (or the unrealized portions of partially-realized investments) were realized at their fair value (calculated in accordance with note 1 above) as of the applicable date set forth above. There can be no assurance that unrealized investments (or the unrealized portions of partially-realized investments) will ultimately be realized for such value. The Net IRR for PSP I, PSP II, PSP III and PSP IV was positively impacted by the use of a credit facility, which effectively deferred capital contributions. PineBridge Investments generally marks its investments to values reported by the underlying fund managers rather than cost. As a result, any purchase discounts will have a positive impact on Net IRR, particularly in the early years of the applicable investments. The lines of credit for both PSP I and PSP II have been repaid in full. Returns may reflect some investments with very short holding periods and insignificant distribution and do not yet reflect substantial realizations. Therefore, the performance of such investments is not meaningful at this time.

6. “Gross Total-Value-to-Paid-In” or “Gross TVPI” represents LP Total Value divided by LP Capital Contributed. “Net Total-Value-to-Paid-In” or “Net TVPI” is Gross Total-Value-To-Paid-In presented net of all management fees, carried interest and other fund expenses.
7. Total Gross and Net IRR, Total Gross and Net DPI and Total Gross and Net TVPI were computed using the actual amount and date of cash flows from Other Secondary Investments, PSP I, PSP II, PSP III, and PSP IV. Data based on PSP I, PSP II, and PSP III, PSP IV and Other Secondary Investments based on unaudited financial statements.

PineBridge Structured Capital Track Record Footnotes

1. **Structured Capital I Track Record** – The Structured Capital I Track Record represents all Structured Capital investments made by the Structured Capital Team for affiliates of American International Group, Inc. (“AIG”) and certain funds managed by affiliates of AIG from 1999 through 2011. During this period, the Team concurrently managed an equity co-investment strategy as well.

The Structured Capital I Track Record only includes Structured Capital investments and excludes all other investments made by the Structured Capital Team (which are primarily equity co-investments). As such, the Structured Capital I portfolio performance data shown herein should be considered hypothetical, even though it is based on actual investments made by the Structured Capital Team. Hypothetical portfolios have inherent limitations, including because they may not reflect the effect that numerous factors may have had on an investment manager’s decisions in assembling a portfolio.

To be included as a Structured Capital investment, each investment in the Structured Capital I Track Record was required to satisfy the following criteria (i) that the original securities acquired were senior to other junior capital and (ii) either that (a) the original securities featured a contractual return component (e.g., cash coupon, preferred dividend or PIK) or (b) the investment provided the potential for additional equity upside (e.g., conversion rights and/or investing in a combination of common equity, warrants or other participation rights in the equity value). This analysis was based on the original securities acquired in the transaction. A leading independent accounting firm substantiated the selection by conducting an Agreed-Upon Procedures examination of the terms of each of the securities for all investments made by the Team during the period. If the Structured Capital Team completed an investment and the original security did not satisfy such criteria, then that transaction was excluded from the Structured Capital I Track Record, even if a follow-on investment in the same portfolio company did satisfy the criteria. Many of the investments in the Structured Capital I Track Record were completed as a strip of different securities including but not limited to some combination of senior subordinated debt, junior subordinated debt, preferred shares, warrants and common equity and the total dollar amount

invested was shared across the securities. If a significant portion or all of the invested capital for such investment met the criteria described above, the investment was included in the Structured Capital I Track Record. The track record for the non-Structured Capital investments is available upon request.

For purposes of representing performance in the Structured Capital I Track Record (net IRRs and net multiples) all relevant investments were grouped into a single hypothetical portfolio, assuming a four-year investment period beginning on the date of the first investment. Hypothetical net IRRs and multiples of cost are calculated by deducting management fees and carry based on the terms of Structured Capital II, with a management fee of 1.5% per annum being charged against aggregate total invested capital (the aggregate amount of capital invested in all relevant investments included in the Structured Capital I Track Record) during the investment period and against remaining unrealized invested capital thereafter. The hypothetical performance information does not include deductions for other fund expenses; had such expenses been deducted, the results presented would be lower.

2. **Realized Value** – Realized value represents the gross proceeds received from the sale of an investment, including return of capital and gains, net of any direct disposition costs. Realized value may also include interest income, dividends, fees and other cash distributions received over the holding period of an investment.
3. **Unrealized Value** – Unrealized value represents the Manager’s determination as of June 30, 2018 of the fair value of an investment in accordance with U.S. generally accepted accounting principles. The Manager typically employs the following valuation methodology:

Investments which are unrestricted and publicly traded in active markets are valued based on the closing price on the national securities exchange in which they are principally traded within the bid-ask spread which is most representative of fair value. The Manager does not adjust the quoted price of such investments even in situations where a large position is held and a sale could reasonably impact a quoted price. However, the price may be adjusted to reflect trading restrictions, as determined by the Manager.

The fair values of private investments are estimated in good faith by the Manager consistent with FAS 157. The methods used by the Manager to estimate such fair values include the market approach and the discounted cash flow approach. The Manager has used its best judgment in estimating the fair value of these investments. However, there are limitations in any estimation technique. Because of the inherent uncertainty of valuation, these estimated fair values may not necessarily represent amounts that might be ultimately realized, and such differences could be material.

4. **Structured Capital II Track Record** – Performance information of Structured Capital II includes all investments completed by Structured Capital II, as of June 30, 2018.

The Net IRR of Structured Capital II at June 30, 2018 was 9.8%. Separate accounts and investors affiliated or under common control with PineBridge Investments are charged lower or no management fees and/or (solely in the case of PineBridge affiliates) carried interest, and in certain instances may not share in operating expenses of Structured Capital II, but share in investment-related expenses of Structured Capital II. As a result of such fee differentials, the net IRR would be lower if such separate accounts/investors paid the same management fees as the limited partners in Structured Capital II.

5. **Structured Capital III Track Record** – Performance information of Structured Capital III includes all investments completed by Structured Capital III, as of June 30, 2018. This Fund held a final closing on March 31, 2016. This Fund is still being invested.
6. **Gross and Net IRR** – Performance is as of June 30, 2018 unless stated otherwise. Gross IRR is the gross internal rate of return before deductions for carried interest, management fees and other expenses, all of which in the aggregate may be substantial and have the effect of lowering returns. Gross IRR is

computed based on the actual dates and amounts of the cash flows (contributions and distributions) and the ending balance of such investment at June 30, 2018. For an example of how net returns are calculated please see below. Performance reflects the re-investment of investment proceeds to the extent re-investment permitted pursuant to the governing legal agreements.

Note: The following is an example of the effect of compounded management fees and carried interest over a period of time on the value of a client's interest in a fund.

The following assumptions are used in this example:

Gross IRR is greater than 20% and is based on a 10 year fund term.

US \$100 million is invested in equal increments (quarterly) over 4 years.

Quarterly distributions of US \$17.5 million received in years 5 through 6, and quarterly distributions of US \$10 million received in years 7 through 10.

8% IRR hurdle is reached by the end of year 6.

A client with a capital commitment of US \$100 million drawn quarterly in equal amounts over a four year investment and commitment period in a fund and who pays (1) a management fee of 1.5% on committed capital during the investment period and 1.5% on actively invested capital thereafter and (2) carried interest of 20% on aggregate proceeds (subject to an 8% hurdle rate) would receive, over the course of the fund's life, total proceeds of approximately US \$260 million.

7. **No Assurance of Future Results** – Past performance information should not be relied upon as an indication of future investment results. There can be no assurance that future investments will achieve comparable results and may instead experience net losses. The performance information shown herein may be reflective of favorable market conditions for all or some of the investments represented and there can be no assurances that similar market conditions will prevail in the future. Returns will vary as Structured Capital I, Structured Capital II, and Structured Capital III realize gains or losses on their previously unrealized holdings if and when they are sold. While valuations of unrealized values of investments held by Structured Capital I, Structured Capital II, and Structured Capital III are based on assumptions that are believed to be reasonable under the circumstances, the actual realized returns on unrealized holdings will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized returns on these unrealized holdings may differ materially from the returns indicated herein.

Endnotes

Interests in open funds may only be offered pursuant to the terms of, and the information contained herein is qualified in its entirety by the more complete information contained in the Confidential Private Offering Memorandum of any such fund (as it may be amended, supplemented or otherwise modified from time to time the "PPM") which is furnished to qualified investors on a confidential basis for their consideration in connection with the private offering of limited partnership interests. This Offering Circular is not an offer to sell or a solicitation of interests in any product, vehicle, or fund. PineBridge Investments, LLC its affiliates and PineBridge Securities LLC make no representation as to the accuracy or completeness of the information contained herein. No person has been authorized to make any statement concerning any fund other than as set forth in the PPM and such statement, if made, may not be relied on.

Unless otherwise noted, investment performance returns contained in this Offering Circular do not reflect the deduction of investment advisory fees.

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