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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2021**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number: 001-33551

Blackstone Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**20-8875684**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

345 Park Avenue
New York, New York 10154
(Address of principal executive offices)(Zip Code)
(212) 583-5000
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	BX	New York Stock Exchange

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

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

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

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

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

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

As of October 29, 2021, there were 686,871,813 shares of common stock of the registrant outstanding.

Table of Contents

Forward-Looking Statements

This report may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, which reflect our current views with respect to, among other things, our operations, taxes, earnings and financial performance, share repurchases and dividends. You can identify these forward-looking statements by the use of words such as "outlook," "indicator," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "scheduled," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to the impact of the novel coronavirus ("COVID-19"), as well as those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020, as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission ("SEC"), which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Website and Social Media Disclosure

We use our website (www.blackstone.com), Facebook page (www.facebook.com/blackstone), Twitter (www.twitter.com/blackstone), LinkedIn (www.linkedin.com/company/blackstonegroup), Instagram (www.instagram.com/blackstone), SoundCloud (www.soundcloud.com/blackstone-300250613), PodBean (www.blackstone.podbean.com), Spotify (https://spoti.fi/2LJ1tHG), YouTube (www.youtube.com/user/blackstonegroup) and Apple Podcast (https://apple.co/31Pe1Gg) accounts as channels of distribution of company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about Blackstone when you enroll your email address by visiting the "Contact Us/Email Alerts" section of our website at http://ir.blackstone.com. The contents of our website, any alerts and social media channels are not, however, a part of this report.

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. In this report, references to "Blackstone," the "Company," "we," "us" or "our" refer to Blackstone Inc. and its consolidated subsidiaries.

Effective February 26, 2021, Blackstone effectuated changes to rename its Class A common stock as "common stock," and to reclassify its Class B and Class C common stock into a new "Series I preferred stock" and "Series II preferred stock," respectively (the "share reclassification"). Each new stock has the same rights and powers of its predecessor. All references to common stock, Series I preferred stock and Series II preferred stock prior to the share reclassification refer to Class A, Class B and Class C common stock, respectively. See "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations – Organizational Structure."

"Series I Preferred Stockholder" refers to Blackstone Partners L.L.C., the holder of the sole outstanding share of our Series I preferred stock.

"Series II Preferred Stockholder" refers to Blackstone Group Management L.L.C., the holder of the sole outstanding share of our Series II preferred stock.

"Blackstone Funds," "our funds" and "our investment funds" refer to the funds and other vehicles that are managed by Blackstone. "Our carry funds" refers to funds managed by Blackstone that have commitment-based multi-year drawdown structures that pay carry on the realization of an investment.

We refer to our flagship corporate private equity funds as Blackstone Capital Partners ("BCP") funds, our energy-focused private equity funds as Blackstone Energy Partners ("BEP") funds, our core private equity funds as Blackstone Core Equity Partners ("BCEP"), our opportunistic investment platform that invests globally across asset classes, industries and geographies as Blackstone Tactical Opportunities ("Tactical Opportunities"), our secondary fund of funds business as Strategic Partners Fund Solutions ("Strategic Partners"), our infrastructure-focused funds as Blackstone Infrastructure Partners ("BIP"), our life sciences private investment platform, Blackstone Life Sciences ("BXLS"), our growth equity investment platform, Blackstone Growth ("BXG"), our multi-asset investment program for eligible high net worth investors offering exposure to certain of our key illiquid investment strategies through a single commitment as Blackstone Total Alternatives Solution ("BTAS") and our capital markets services business as Blackstone Capital Markets ("BXCM").

We refer to our real estate opportunistic funds as Blackstone Real Estate Partners ("BREP") funds and our real estate debt investment funds as Blackstone Real Estate Debt Strategies ("BREDS") funds. We refer to our real estate investment trusts as "REITs," to Blackstone Mortgage Trust, Inc., our NYSE-listed REIT, as "BXMT," and to Blackstone Real Estate Income Trust, Inc., our non-listed REIT, as "BREIT." We refer to our real estate funds which target substantially stabilized assets in prime markets, as Blackstone Property Partners ("BPP") funds. We refer to BPP and BREIT collectively as our Core+ real estate strategies.

"Our hedge funds" refers to our funds of hedge funds, hedge funds, certain of our real estate debt investment funds, including a registered investment company, and certain other credit-focused funds which are managed by Blackstone.

We refer to our business development companies as "BDCs," to Blackstone Private Credit Fund as "BCRED" and to Blackstone Secured Lending Fund as "BXSL."

"BIS" refers to Blackstone Insurance Solutions, which partners with insurers to deliver bespoke, capital-efficient investments tailored to each insurer's needs and risk profile.

We refer to our separately managed accounts as "SMAs."

"Total Assets Under Management" refers to the assets we manage. Our Total Assets Under Management equals the sum of:

(a) the fair value of the investments held by our carry funds and our side-by-side and co-investment entities managed by us plus the capital that we are entitled to call from investors in those funds and entities pursuant to the terms of their respective capital commitments, including capital commitments to funds that have yet to commence their investment periods,

(b) the net asset value of (1) our hedge funds, real estate debt carry funds, BPP, certain co-investments managed by us, certain credit-focused funds, and our Hedge Fund Solutions drawdown funds (plus, in each case, the capital that we are entitled to call from investors in those funds, including commitments yet to commence their investment periods), and (2) our funds of hedge funds, our Hedge Fund Solutions registered investment companies, and BREIT,

(c) the invested capital, fair value or net asset value of assets we manage pursuant to separately managed accounts,

(d) the amount of debt and equity outstanding for our collateralized loan obligations ("CLO") during the reinvestment period,

(e) the aggregate par amount of collateral assets, including principal cash, for our CLOs after the reinvestment period,

(f) the gross or net amount of assets (including leverage where applicable) for our credit-focused registered investment companies,

(g) the fair value of common stock, preferred stock, convertible debt, term loans or similar instruments issued by BXMT, and

(h) borrowings under and any amounts available to be borrowed under certain credit facilities of our funds.

Our carry funds are commitment-based drawdown structured funds that do not permit investors to redeem their interests at their election. Our funds of hedge funds, hedge funds, funds structured like hedge funds and other open-ended funds in our Real Estate, Hedge Fund Solutions and Credit & Insurance segments generally have structures that afford an investor the right to withdraw or redeem their interests on a periodic basis (for example, annually or quarterly), typically with 30 to 95 days' notice, depending on the fund and the liquidity profile of the underlying assets. Investment advisory agreements related to certain separately managed accounts in our Hedge Fund Solutions and Credit & Insurance segments, excluding our BIS separately managed accounts, may generally be terminated by an investor on 30 to 90 days' notice.

"Fee-Earning Assets Under Management" refers to the assets we manage on which we derive management fees and/or performance revenues. Our Fee-Earning Assets Under Management equals the sum of:

(a) for our Private Equity segment funds and Real Estate segment carry funds, including certain BREDS and Hedge Fund Solutions funds, the amount of capital commitments, remaining invested capital, fair value, net asset value or par value of assets held, depending on the fee terms of the fund,

(b) for our credit-focused carry funds, the amount of remaining invested capital (which may include leverage) or net asset value, depending on the fee terms of the fund,

(c) the remaining invested capital or fair value of assets held in co-investment vehicles managed by us on which we receive fees,

(d) the net asset value of our funds of hedge funds, hedge funds, BPP, certain co-investments managed by us, certain registered investment companies, BREIT, and certain of our Hedge Fund Solutions drawdown funds,

(e) the invested capital, fair value of assets or the net asset value we manage pursuant to separately managed accounts,

(f) the net proceeds received from equity offerings and accumulated distributable earnings of BXMT, subject to certain adjustments,

(g) the aggregate par amount of collateral assets, including principal cash, of our CLOs, and

(h) the gross amount of assets (including leverage) or the net assets (plus leverage where applicable) for certain of our credit-focused registered investment companies.

Each of our segments may include certain Fee-Earning Assets Under Management on which we earn performance revenues but not management fees.

Our calculations of Total Assets Under Management and Fee-Earning Assets Under Management may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers. In addition, our calculation of Total Assets Under Management includes commitments to, and the fair value of, invested capital in our funds from Blackstone and our personnel, regardless of whether such commitments or invested capital are subject to fees. Our definitions of Total Assets Under Management and Fee-Earning Assets Under Management are not based on any definition of total assets under management and fee-earning assets under management that is set forth in the agreements governing the investment funds that we manage.

For our carry funds, Total Assets Under Management includes the fair value of the investments held and uncalled capital commitments, whereas Fee-Earning Assets Under Management may include the total amount of capital commitments or the remaining amount of invested capital at cost, depending on whether the investment period has expired or as specified by the fee terms of the fund. As such, in certain carry funds Fee-Earning Assets Under Management may be greater than Total Assets Under Management when the aggregate fair value of the remaining investments is less than the cost of those investments.

"Perpetual Capital" refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Perpetual Capital includes co-investment capital with an investor right to convert into Perpetual Capital.

This report does not constitute an offer of any Blackstone Fund.

Part I. Financial Information

Item 1. Financial Statements

Blackstone Inc.
Condensed Consolidated Statements of Financial Condition (Unaudited)
(Dollars in Thousands, Except Share Data)

	September 30, 2021	December 31, 2020
Assets		
Cash and Cash Equivalents	$ 5,011,433	$ 1,999,484
Cash Held by Blackstone Funds and Other	113,731	64,972
Investments (including assets pledged of $50,504 and $110,835 at September 30, 2021 and December 31, 2020, respectively)	25,104,195	15,617,142
Accounts Receivable	496,265	866,158
Due from Affiliates	3,718,119	3,221,515
Intangible Assets, Net	303,082	347,955
Goodwill	1,890,202	1,901,485
Other Assets	538,567	481,022
Right-of-Use Assets	745,886	526,943
Deferred Tax Assets	1,116,612	1,242,576
Total Assets	$ 39,038,092	$ 26,269,252
Liabilities and Equity		
Loans Payable	$ 7,527,576	$ 5,644,653
Due to Affiliates	1,426,209	1,135,041
Accrued Compensation and Benefits	7,399,559	3,433,260
Securities Sold, Not Yet Purchased	35,657	51,033
Repurchase Agreements	36,545	76,808
Operating Lease Liabilities	863,020	620,844
Accounts Payable, Accrued Expenses and Other Liabilities	871,661	717,104
Total Liabilities	18,160,227	11,678,743
Commitments and Contingencies		
Redeemable Non-Controlling Interests in Consolidated Entities	66,824	65,161
Equity		
Stockholders’ Equity of Blackstone Inc.		
Common Stock, $0.00001 par value, 90 billion shares authorized, (693,612,698 shares issued and outstanding as of September 30, 2021; 683,875,544 shares issued and outstanding as of December 31, 2020)	7	7
Series I Preferred Stock, $0.00001 par value, 999,999,000 shares authorized, (1 share issued and outstanding as of September 30, 2021 and December 31, 2020)	—	—
Series II Preferred Stock, $0.00001 par value, 1,000 shares authorized, (1 share issued and outstanding as of September 30, 2021 and December 31, 2020)	—	—
Additional Paid-in-Capital	6,037,628	6,332,105
Retained Earnings	3,031,765	335,762
Accumulated Other Comprehensive Loss	(15,357)	(15,831)
Total Stockholders’ Equity of Blackstone Inc.	9,054,043	6,652,043
Non-Controlling Interests in Consolidated Entities	5,638,612	4,042,157
Non-Controlling Interests in Blackstone Holdings	6,118,386	3,831,148
Total Equity	20,811,041	14,525,348
Total Liabilities and Equity	$ 39,038,092	$ 26,269,252

continued...

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Financial Condition (Unaudited)
(Dollars in Thousands)

The following presents the asset and liability portion of the consolidated balances presented in the Condensed Consolidated Statements of Financial Condition attributable to consolidated Blackstone Funds which are variable interest entities. The following assets may only be used to settle obligations of these consolidated Blackstone Funds and these liabilities are only the obligations of these consolidated Blackstone Funds and they do not have recourse to the general credit of Blackstone.

	September 30, 2021	December 31, 2020
Assets		
Cash Held by Blackstone Funds and Other	$ 113,731	$ 64,972
Investments	2,104,705	1,455,008
Accounts Receivable	64,254	120,099
Due from Affiliates	11,142	8,676
Other Assets	262	262
Total Assets	$ 2,294,094	$ 1,649,017
Liabilities		
Loans Payable	$ 100	$ 99
Due to Affiliates	95,062	65,429
Securities Sold, Not Yet Purchased	23,745	41,709
Repurchase Agreements	36,545	76,808
Accounts Payable, Accrued Expenses and Other Liabilities	34,869	37,221
Total Liabilities	$ 190,321	$ 221,266

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in Thousands, Except Share and Per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues				
Management and Advisory Fees, Net	$ 1,320,795	$ 1,053,851	$ 3,711,159	$ 2,958,411
Incentive Fees	48,206	13,498	117,537	40,959
Investment Income (Loss)				
Performance Allocations				
Realized	1,522,495	371,406	2,865,482	640,846
Unrealized	2,724,366	1,403,480	7,886,033	(981,678)
Principal Investments				
Realized	325,414	61,017	832,512	170,814
Unrealized	183,754	295,308	1,151,904	(332,295)
Total Investment Income (Loss)	4,756,029	2,131,211	12,735,931	(502,313)
Interest and Dividend Revenue	35,048	26,497	97,477	85,505
Other	64,187	(192,159)	152,387	(109,559)
Total Revenues	6,224,265	3,032,898	16,814,491	2,473,003
Expenses				
Compensation and Benefits				
Compensation	536,199	460,983	1,585,941	1,395,983
Incentive Fee Compensation	21,007	7,385	48,763	22,339
Performance Allocations Compensation				
Realized	631,632	142,149	1,192,082	253,141
Unrealized	1,193,853	509,474	3,394,041	(433,091)
Total Compensation and Benefits	2,382,691	1,119,991	6,220,827	1,238,372
General, Administrative and Other	217,995	171,041	608,174	497,658
Interest Expense	52,413	39,540	141,718	120,460
Fund Expenses	1,260	2,274	7,417	10,962
Total Expenses	2,654,359	1,332,846	6,978,136	1,867,452
Other Income (Loss)				
Change in Tax Receivable Agreement Liability	(37,321)	(7,693)	(34,803)	(8,212)
Net Gains (Losses) from Fund Investment Activities	132,312	108,752	379,781	(60,325)
Total Other Income (Loss)	94,991	101,059	344,978	(68,537)
Income Before Provision for Taxes	3,664,897	1,801,111	10,181,333	537,014
Provision for Taxes	458,904	100,960	746,707	89,672
Net Income	3,205,993	1,700,151	9,434,626	447,342
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	1,550	6,868	2,816	(12,027)
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	486,907	259,761	1,305,273	(90,938)
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,315,641	638,803	3,667,618	253,814
Net Income Attributable to Blackstone Inc.	$ 1,401,895	$ 794,719	$ 4,458,919	$ 296,493
Net Income Per Share of Common Stock				
Basic	$ 1.94	$ 1.14	$ 6.21	$ 0.43
Diluted	$ 1.94	$ 1.13	$ 6.21	$ 0.43
Weighted-Average Shares of Common Stock Outstanding				
Basic	722,229,117	700,184,580	717,516,302	695,049,997
Diluted	722,433,099	700,527,966	717,918,415	695,337,575

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Comprehensive Income (Unaudited)
(Dollars in Thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net Income	$ 3,205,993	$ 1,700,151	$ 9,434,626	$ 447,342
Other Comprehensive Income (Loss), Currency Translation Adjustment	(8,689)	14,791	1,366	2,888
Comprehensive Income	3,197,304	1,714,942	9,435,992	450,230
Less:				
Comprehensive Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	1,550	6,868	2,816	(12,027)
Comprehensive Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	486,907	259,761	1,305,273	(90,938)
Comprehensive Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,312,064	644,243	3,668,510	255,614
Comprehensive Income Attributable to Non-Controlling Interests	1,800,521	910,872	4,976,599	152,649
Comprehensive Income Attributable to Blackstone Inc.	$ 1,396,783	$ 804,070	$ 4,459,393	$ 297,581

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(Dollars in Thousands, Except Share Data)

	Shares of Blackstone Inc. (a)	Blackstone Inc. (a)									
	Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings (Deficit)	Accumulated Other Compre-hensive Income (Loss)	Total Stockholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Blackstone Holdings	Total Equity	Redeemable Non-Controlling Interests in Consolidated Entities
Balance at June 30, 2021	691,093,463	$ 7	$ 6,282,600	$ 2,133,794	$ (10,245)	$ 8,406,156	$ 4,860,442	$ 5,214,848	$18,481,446	$ 65,568
Net Income	—	—	—	1,401,895	—	1,401,895	486,907	1,315,641	3,204,443	1,550
Currency Translation Adjustment	—	—	—	—	(5,112)	(5,112)	—	(3,577)	(8,689)	—
Capital Contributions	—	—	—	—	—	—	608,720	2,487	611,207	—
Capital Distributions	—	—	—	(503,924)	—	(503,924)	(317,357)	(423,813)	(1,245,094)	(294)
Transfer of Non-Controlling Interests in Consolidated Entities	—	—	—	—	—	—	(100)	—	(100)	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders	—	—	10,734	—	—	10,734	—	—	10,734	—
Equity-Based Compensation	—	—	81,616	—	—	81,616	—	57,914	139,530	—
Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock	1,815,907	—	(26,583)	—	—	(26,583)	—	—	(26,583)	—
Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units	(2,875,000)	—	(355,853)	—	—	(355,853)	—	—	(355,853)	—
Change in Blackstone Inc.'s Ownership Interest	—	—	6,617	—	—	6,617	—	(6,617)	—	—
Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock	3,578,328	—	38,497	—	—	38,497	—	(38,497)	—	—
Balance at September 30, 2021	693,612,698	$ 7	$ 6,037,628	$ 3,031,765	$ (15,357)	$ 9,054,043	$ 5,638,612	$ 6,118,386	$20,811,041	$ 66,824

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

continued...

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(Dollars in Thousands, Except Share Data)

	Shares of Blackstone Inc. (a)	Blackstone Inc. (a)								
	Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings (Deficit)	Accumulated Other Compre-hensive Income (Loss)	Total Stockholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Blackstone Holdings	Total Equity	Redeemable Non-Controlling Interests in Consolidated Entities
Balance at June 30, 2020	676,874,583	$ 7	$ 6,272,040	$ (574,295)	$ (36,758)	$ 5,660,994	$ 3,900,429	$ 2,866,043	$12,427,466	$ 68,564
Transfer Out Due to Deconsolidation of Fund Entities	—	—	—	—	—	—	(216,339)	—	(216,339)	—
Net Income	—	—	—	794,719	—	794,719	259,761	638,803	1,693,283	6,868
Currency Translation Adjustment	—	—	—	—	9,351	9,351	—	5,440	14,791	—
Capital Contributions	—	—	—	—	—	—	74,762	2,719	77,481	—
Capital Distributions	—	—	—	(256,856)	—	(256,856)	(69,761)	(217,337)	(543,954)	(12,048)
Transfer of Non-Controlling Interests in Consolidated Entities	—	—	—	—	—	—	(2,662)	—	(2,662)	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders	—	—	4,392	—	—	4,392	—	—	4,392	—
Equity-Based Compensation	—	—	57,098	—	—	57,098	—	42,812	99,910	—
Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock	1,002,685	—	(12,430)	—	—	(12,430)	—	—	(12,430)	—
Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units	(2,000,000)	—	(105,644)	—	—	(105,644)	—	—	(105,644)	—
Change in Blackstone Inc.'s Ownership Interest	—	—	862	—	—	862	—	(862)	—	—
Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock	4,803,480	—	27,404	—	—	27,404	—	(27,404)	—	—
Balance at September 30, 2020	680,680,748	$ 7	$ 6,243,722	$ (36,432)	$ (27,407)	$ 6,179,890	$ 3,946,190	$ 3,310,214	$13,436,294	$ 63,384

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

continued...

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(Dollars in Thousands, Except Share Data)

	Shares of Blackstone Inc. (a)	Blackstone Inc. (a)									
	Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings (Deficit)	Accumulated Other Compre-hensive Income (Loss)	Total Stockholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Blackstone Holdings	Total Equity	Redeemable Non-Controlling Interests in Consolidated Entities
Balance at December 31, 2020	683,875,544	$ 7	$ 6,332,105	$ 335,762	$ (15,831)	$ 6,652,043	$ 4,042,157	$ 3,831,148	$14,525,348	$ 65,161
Net Income	—	—	—	4,458,919	—	4,458,919	1,305,273	3,667,618	9,431,810	2,816
Currency Translation Adjustment	—	—	—	—	474	474	—	892	1,366	—
Capital Contributions	—	—	—	—	—	—	1,020,950	7,746	1,028,696	—
Capital Distributions	—	—	—	(1,762,916)	—	(1,762,916)	(726,075)	(1,448,470)	(3,937,461)	(1,153)
Transfer of Non-Controlling Interests in Consolidated Entities	—	—	—	—	—	—	(3,693)	—	(3,693)	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders	—	—	30,448	—	—	30,448	—	—	30,448	—
Equity-Based Compensation	—	—	250,222	—	—	250,222	—	178,855	429,077	—
Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock	3,802,879	—	(49,642)	—	—	(49,642)	—	—	(49,642)	—
Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units	(6,049,598)	—	(644,908)	—	—	(644,908)	—	—	(644,908)	—
Change in Blackstone Inc.'s Ownership Interest	—	—	10,494	—	—	10,494	—	(10,494)	—	—
Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock	11,983,873	—	108,909	—	—	108,909	—	(108,909)	—	—
Balance at September 30, 2021	693,612,698	$ 7	$ 6,037,628	$ 3,031,765	$ (15,357)	$ 9,054,043	$ 5,638,612	$ 6,118,386	$20,811,041	$ 66,824

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

continued...

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Changes in Equity (Unaudited)
(Dollars in Thousands, Except Share Data)

	Shares of Blackstone Inc. (a)	Blackstone Inc. (a)								
	Common Stock	Common Stock	Additional Paid-in-Capital	Retained Earnings (Deficit)	Accumulated Other Compre-hensive Income (Loss)	Total Stockholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Blackstone Holdings	Total Equity	Redeemable Non-Controlling Interests in Consolidated Entities
Balance at December 31, 2019	671,157,692	$ 7	$ 6,428,647	$ 609,625	$ (28,495)	$ 7,009,784	$ 4,186,069	$ 3,819,548	$15,015,401	$ 87,651
Transfer Out Due to Deconsolidation of Fund Entities	—	—	—	—	—	—	(216,339)	—	(216,339)	—
Net Income (Loss)	—	—	—	296,493	—	296,493	(90,938)	253,814	459,369	(12,027)
Currency Translation Adjustment	—	—	—	—	1,088	1,088	—	1,800	2,888	—
Capital Contributions	—	—	—	—	—	—	447,723	2,719	450,442	—
Capital Distributions	—	—	—	(942,550)	—	(942,550)	(375,558)	(786,392)	(2,104,500)	(12,240)
Transfer of Non-Controlling Interests in Consolidated Entities	—	—	—	—	—	—	(4,767)	—	(4,767)	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders	—	—	19,592	—	—	19,592	—	—	19,592	—
Equity-Based Compensation	—	—	181,377	—	—	181,377	—	136,912	318,289	—
Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock	2,742,841	—	(30,069)	—	—	(30,069)	—	(7)	(30,076)	—
Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units	(8,969,237)	—	(474,005)	—	—	(474,005)	—	—	(474,005)	—
Change in Blackstone Inc.'s Ownership Interest	—	—	14,647	—	—	14,647	—	(14,647)	—	—
Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock	15,749,452	—	103,533	—	—	103,533	—	(103,533)	—	—
Balance at September 30, 2020	680,680,748	$ 7	$ 6,243,722	$ (36,432)	$ (27,407)	$ 6,179,890	$ 3,946,190	$ 3,310,214	$13,436,294	$ 63,384

(a) During the period presented, Blackstone also had one share outstanding of each of Series I and Series II preferred stock, with par value of each less than one cent.

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Dollars in Thousands)

	Nine Months Ended September 30,	
	2021	**2020**
Operating Activities		
Net Income	$ 9,434,626	$ 447,342
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Blackstone Funds Related		
Net Realized Gains on Investments	(3,851,756)	(696,453)
Changes in Unrealized (Gains) Losses on Investments	(1,411,164)	351,987
Non-Cash Performance Allocations	(7,886,033)	981,678
Non-Cash Performance Allocations and Incentive Fee Compensation	4,619,216	(168,571)
Equity-Based Compensation Expense	454,110	349,472
Amortization of Intangibles	56,174	53,250
Other Non-Cash Amounts Included in Net Income	62,730	(77,813)
Cash Flows Due to Changes in Operating Assets and Liabilities		
Cash Relinquished with Deconsolidation of Fund Entities	—	(257,544)
Accounts Receivable	437,030	464,997
Due from Affiliates	(419,569)	(177,850)
Other Assets	(54,140)	(125,442)
Accrued Compensation and Benefits	(677,951)	(309,237)
Securities Sold, Not Yet Purchased	(14,924)	(26,840)
Accounts Payable, Accrued Expenses and Other Liabilities	(4,020)	98,983
Repurchase Agreements	(40,263)	(73,522)
Due to Affiliates	63,888	9,207
Investments Purchased	(4,175,221)	(4,947,832)
Cash Proceeds from Sale of Investments	8,207,202	5,730,106
Net Cash Provided by Operating Activities	4,799,935	1,625,918
Investing Activities		
Purchase of Furniture, Equipment and Leasehold Improvements	(44,456)	(70,896)
Net Cash Used in Investing Activities	(44,456)	(70,896)
Financing Activities		
Distributions to Non-Controlling Interest Holders in Consolidated Entities	(727,228)	(387,798)
Contributions from Non-Controlling Interest Holders in Consolidated Entities	1,016,285	431,874
Payments Under Tax Receivable Agreement	(51,366)	(73,881)
Net Settlement of Vested Common Stock and Repurchase of Common Stock and Blackstone Holdings Partnership Units	(694,550)	(504,081)
Proceeds from Loans Payable	1,973,969	890,159

continued...

See notes to condensed consolidated financial statements.

Blackstone Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Dollars in Thousands)

	Nine Months Ended September 30,	
	2021	**2020**
Financing Activities (Continued)		
Repayment and Repurchase of Loans Payable	$ —	$ (1,890)
Dividends/Distributions to Shareholders and Unitholders	(3,203,640)	(1,726,223)
Net Cash Used in Financing Activities	(1,686,530)	(1,371,840)
Effect of Exchange Rate Changes on Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other	(8,241)	7,280
Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other		
Net Increase	3,060,708	190,462
Beginning of Period	2,064,456	2,523,651
End of Period	$ 5,125,164	$ 2,714,113
Supplemental Disclosure of Cash Flows Information		
Payments for Interest	$ 154,162	$ 137,031
Payments for Income Taxes	$ 454,212	$ 115,859
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Non-Cash Contributions from Non-Controlling Interest Holders	$ 8,636	$ 14,557
Notes Issuance Costs	$ 16,991	$ 6,750
Transfer of Interests to Non-Controlling Interest Holders	$ (3,693)	$ (4,767)
Change in Blackstone Inc.'s Ownership Interest	$ 10,494	$ 14,647
Net Settlement of Vested Common Stock	$ 199,325	$ 113,368
Conversion of Blackstone Holdings Units to Common Stock	$ 108,909	$ 103,533
Acquisition of Ownership Interests from Non-Controlling Interest Holders		
Deferred Tax Asset	$ (278,795)	$ (201,188)
Due to Affiliates	$ 248,347	$ 181,596
Equity	$ 30,448	$ 19,592

The following table provides a reconciliation of Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other reported within the Condensed Consolidated Statements of Financial Condition:

	September 30, 2021	**December 31, 2020**
Cash and Cash Equivalents	$ 5,011,433	$ 1,999,484
Cash Held by Blackstone Funds and Other	113,731	64,972
	$ 5,125,164	$ 2,064,456

See notes to condensed consolidated financial statements.

1. Organization

Blackstone Inc., together with its consolidated subsidiaries ("Blackstone" or the "Company"), is one of the world's leading investment firms. Blackstone's asset management business includes investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. "Blackstone Funds" refers to the funds and other vehicles that are managed by Blackstone. Blackstone's business is organized into four segments: Real Estate, Private Equity, Hedge Fund Solutions and Credit & Insurance.

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. Blackstone Inc. was initially formed as The Blackstone Group L.P., a Delaware limited partnership, on March 12, 2007. Prior to its conversion (effective July 1, 2019) to a Delaware corporation (the "Conversion"), Blackstone Inc. was managed and operated by Blackstone Group Management L.L.C., which is wholly owned by Blackstone's senior managing directors and controlled by one of Blackstone's founders, Stephen A. Schwarzman (the "Founder"). Effective February 26, 2021, the Certificate of Incorporation of Blackstone Inc. was amended and restated to rename Blackstone's Class A Common stock as "common stock" and reclassify Blackstone's Class B common stock and Class C common stock into a new Series I preferred stock and a new Series II preferred stock, respectively. All references to common stock, series I preferred stock and series II preferred stock prior to such date refer to Class A, Class B and Class C common stock, respectively. See Note 13. "Income Taxes" and Note 14. "Earnings Per Share and Stockholders' Equity — Stockholders' Equity."

The activities of Blackstone are conducted through its holding partnerships: Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. (collectively, "Blackstone Holdings," "Blackstone Holdings Partnerships" or the "Holding Partnerships"). Blackstone, through its wholly owned subsidiaries, is the sole general partner of each of the Holding Partnerships. Generally, holders of the limited partner interests in the Holding Partnerships may, four times each year, exchange their limited partnership interests ("Partnership Units") for Blackstone common stock, on a one-to-one basis, exchanging one Partnership Unit from each of the Holding Partnerships for one share of Blackstone common stock.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Blackstone have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the instructions to Form 10-Q. The condensed consolidated financial statements, including these notes, are unaudited and exclude some of the disclosures required in audited financial statements. Management believes it has made all necessary adjustments (consisting of only normal recurring items) so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in Blackstone's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission.

The condensed consolidated financial statements include the accounts of Blackstone, its wholly owned or majority owned subsidiaries, the consolidated entities which are considered to be variable interest entities and for which Blackstone is considered the primary beneficiary, and certain partnerships or similar entities which are not considered variable interest entities but in which the general partner is determined to have control.

All intercompany balances and transactions have been eliminated in consolidation.

Restructurings within consolidated collateralized loan obligations ("CLOs") are treated as investment purchases or sales, as applicable, in the Condensed Consolidated Statements of Cash Flows.

COVID-19 and Global Economic Market Conditions

The ongoing novel coronavirus ("COVID-19") pandemic has caused disruption in the U.S. and global economies. More recently, robust economic activity in the U.S. has supported a continued recovery, which nevertheless may remain uneven with dispersion across sectors and regions. The estimates and assumptions underlying these consolidated financial statements are based on the information available as of September 30, 2021 for the current period and as of September 30, 2020 or December 31, 2020, as applicable. The estimates and assumptions include judgments about financial market and economic conditions which have changed, and may continue to change, over time.

Consolidation

Blackstone consolidates all entities that it controls through a majority voting interest or otherwise, including those Blackstone Funds in which the general partner has a controlling financial interest. Blackstone has a controlling financial interest in Blackstone Holdings because the limited partners do not have the right to dissolve the partnerships or have substantive kick-out rights or participating rights that would overcome the control held by Blackstone. Accordingly, Blackstone consolidates Blackstone Holdings and records non-controlling interests to reflect the economic interests of the limited partners of Blackstone Holdings.

In addition, Blackstone consolidates all variable interest entities ("VIE") for which it is the primary beneficiary. 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 economic performance 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 determine (a) whether an entity in which Blackstone holds a variable interest is a VIE and (b) whether Blackstone's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests, would give it a controlling financial interest. Performance of that analysis requires the exercise of judgment.

Blackstone determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a variable interest entity and continuously reconsiders that conclusion. In determining whether Blackstone is the primary beneficiary, Blackstone evaluates its control rights as well as economic interests in the entity held either directly or indirectly by Blackstone. The consolidation analysis can generally be performed qualitatively; however, if it is not readily apparent that Blackstone is not the primary beneficiary, a quantitative analysis may also be performed. Investments and redemptions (either by Blackstone, affiliates of Blackstone or third parties) or amendments to the governing documents of the respective Blackstone Funds could affect an entity's status as a VIE or the determination of the primary beneficiary. At each reporting date, Blackstone assesses whether it is the primary beneficiary and will consolidate or deconsolidate accordingly.

Assets of consolidated VIEs that can only be used to settle obligations of the consolidated VIE and liabilities of a consolidated VIE for which creditors (or beneficial interest holders) do not have recourse to the general credit of Blackstone are presented in a separate section in the Condensed Consolidated Statements of Financial Condition.

Blackstone's other disclosures regarding VIEs are discussed in Note 9. "Variable Interest Entities."

Revenue Recognition

Revenues primarily consist of management and advisory fees, incentive fees, investment income, interest and dividend revenue and other.

Management and advisory fees and incentive fees are accounted for as contracts with customers. Under the guidance for contracts with 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 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. See Note 18. “Segment Reporting” for a disaggregated presentation of revenues from contracts with customers.

Management and Advisory Fees, Net — Management and Advisory Fees, Net are comprised of management fees, including base management fees, transaction and other fees and advisory fees net of management fee reductions and offsets.

Blackstone earns base management fees from the investors in its managed funds and investment vehicles, at a fixed percentage of a calculation base, which is typically assets under management, net asset value, total assets, committed capital or invested capital. These customer contracts require Blackstone to provide investment management services, which represents a performance obligation that Blackstone satisfies over time. Management fees are a form of variable consideration because the fees Blackstone is entitled to vary based on fluctuations in the basis for the management fee. The amount recorded as revenue is generally determined at the end of the period because these management fees are payable on a regular basis (typically quarterly) and are not subject to clawback once paid.

Transaction, advisory and other fees are principally fees charged to the limited partners of funds indirectly through the managed funds and portfolio companies. The investment advisory agreements generally require that the investment adviser reduce the amount of management fees payable by the limited partners to Blackstone (“management fee reductions”) by an amount equal to a portion of the transaction and other fees paid to Blackstone by the portfolio companies. The amount of the reduction varies by fund, the type of fee paid by the portfolio company and the previously incurred expenses of the fund. These fees and associated management fee reductions are a component of the transaction price for Blackstone’s performance obligation to provide investment management services to the limited partners of funds and are recognized as changes to the transaction price in the period in which they are charged and the services are performed.

Management fee offsets are reductions to management fees payable by the limited partners of the Blackstone Funds, which are based on the amount such limited partners reimburse the Blackstone Funds or Blackstone primarily for placement fees. Providing investment management services requires Blackstone to arrange for services on behalf of its customers. In those situations where Blackstone is acting as an agent on behalf of the limited partners of funds, it presents the cost of services as net against management fee revenue. In all other situations, Blackstone is primarily responsible for fulfilling the services and is therefore acting as a principal for those arrangements. As a result, the cost of those services is presented as Compensation or General, Administrative and Other expense, as appropriate, with any reimbursement from the limited partners of the funds recorded as Management and Advisory Fees, Net. In cases where the limited partners of the funds are determined to be the customer in an arrangement, placement fees may be capitalized as a cost to acquire a customer contract. Capitalized placement fees are amortized over the life of the customer contract, are recorded within Other Assets in the Condensed Consolidated Statements of Financial Condition and amortization is recorded within General, Administrative and Other within the Condensed Consolidated Statements of Operations.

Accrued but unpaid Management and Advisory Fees, net of management fee reductions and management fee offsets, as of the reporting date are included in Accounts Receivable or Due from Affiliates in the Condensed Consolidated Statements of Financial Condition.

Incentive Fees — Contractual fees earned based on the performance of Blackstone Funds ("Incentive Fees") are a form of variable consideration in Blackstone's contracts with customers to provide investment management services. Incentive Fees are earned based on fund performance during the period, subject to the achievement of minimum return levels, or high water marks, in accordance with the respective terms set out in each fund's governing agreements. Incentive Fees will not be recognized as revenue until (a) it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, or (b) the uncertainty associated with the variable consideration is subsequently resolved. Incentive Fees are typically recognized as revenue when realized at the end of the measurement period. Once realized, such fees are not subject to clawback or reversal. Accrued but unpaid Incentive Fees charged directly to investors in Blackstone Funds as of the reporting date are recorded within Due from Affiliates in the Condensed Consolidated Statements of Financial Condition.

Investment Income (Loss) — Investment Income (Loss) represents the unrealized and realized gains and losses on Blackstone's Performance Allocations and Principal Investments.

In carry fund structures, Blackstone, through its subsidiaries, invests alongside its limited partners in a partnership and is entitled to its pro-rata share of the results of the fund (a "pro-rata allocation"). In addition to a pro-rata allocation, and assuming certain investment returns are achieved, Blackstone is entitled to a disproportionate allocation of the income otherwise allocable to the limited partners, commonly referred to as carried interest ("Performance Allocations").

Performance Allocations are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. At the end of each reporting period, Blackstone calculates the balance of accrued Performance Allocations ("Accrued Performance Allocations") that would be due to Blackstone for each fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance Allocation to the general partner or (b) negative performance that would cause the amount due to Blackstone to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued Performance Allocation to the general partner. In each scenario, it is necessary to calculate the Accrued Performance Allocation on cumulative results compared to the Accrued Performance Allocation recorded to date and make the required positive or negative adjustments. Blackstone ceases to record negative Performance Allocations once previously Accrued Performance Allocations for such fund have been fully reversed. Blackstone is not obligated to pay guaranteed returns or hurdles, and therefore, cannot have negative Performance Allocations over the life of a fund. Accrued Performance Allocations as of the reporting date are reflected in Investments in the Condensed Consolidated Statements of Financial Condition.

Performance Allocations are realized when an underlying investment is profitably disposed of and the fund's cumulative returns are in excess of the preferred return or, in limited instances, after certain thresholds for return of capital are met. Performance Allocations are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to Blackstone based on cumulative results. As such, the accrual for potential repayment of previously received Performance Allocations, which is a component of Due to Affiliates, represents all amounts previously distributed to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone carry funds if the Blackstone 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, however, generally does not become realized until the end of a fund's life except for certain funds, including certain Blackstone real estate funds, multi-asset class investment funds and credit-focused funds, which may have an interim clawback liability.

Principal Investments include the unrealized and realized gains and losses on Blackstone's principal investments, including its investments in Blackstone Funds that are not consolidated and receive pro-rata allocations, its equity method investments, and other principal investments. Income (Loss) on Principal Investments is realized when Blackstone redeems all or a portion of its investment or when Blackstone receives cash income, such as dividends or distributions. Unrealized Income (Loss) on Principal Investments results from changes in the fair value of the underlying investment as well as the reversal of unrealized gain (loss) at the time an investment is realized.

Interest and Dividend Revenue — Interest and Dividend Revenue comprises primarily interest and dividend income earned on principal investments not accounted for under the equity method held by Blackstone.

Other Revenue — Other Revenue consists of miscellaneous income and foreign exchange gains and losses arising on transactions denominated in currencies other than U.S. dollars.

Fair Value of Financial Instruments

GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

- Level I – Quoted prices are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments in Level I include listed equities, listed derivatives and mutual funds with quoted prices. Blackstone does not adjust the quoted price for these investments, even in situations where Blackstone holds a large position and a sale could reasonably impact the quoted price.

- Level II – 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. Financial instruments which are generally included in this category include corporate bonds and loans, including corporate bonds and loans held within CLO vehicles, government and agency securities, less liquid and restricted equity securities, and certain over-the-counter derivatives where the fair value is based on observable inputs. Senior and subordinated notes issued by CLO vehicles are classified within Level II of the fair value hierarchy.

- Level III – Pricing inputs are unobservable for the financial instruments and includes situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments that are included in this category generally include general and limited partnership interests in private equity and real estate funds, credit-focused funds, distressed debt and non-investment grade residual interests in securitizations, certain corporate bonds and loans held within CLO vehicles and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. Blackstone'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 financial instrument.

Level II Valuation Techniques

Financial instruments classified within Level II of the fair value hierarchy comprise debt instruments, including certain corporate loans and bonds held by Blackstone's consolidated CLO vehicles and debt securities sold, not yet purchased. Certain equity securities and derivative instruments valued using observable inputs are also classified as Level II.

The valuation techniques used to value financial instruments classified within Level II of the fair value hierarchy are as follows:

- Debt Instruments and Equity Securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments. The valuation of certain equity securities is based on an observable price for an identical security adjusted for the effect of a restriction.

- Freestanding Derivatives are valued using contractual cash flows and observable inputs comprising yield curves, foreign currency rates and credit spreads.

- Senior and subordinate notes issued by CLO vehicles are classified based on the more observable fair value of CLO assets less (a) the fair value of any beneficial interests held by Blackstone, and (b) the carrying value of any beneficial interests that represent compensation for services.

Level III Valuation Techniques

In the absence of observable market prices, Blackstone 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 own assumptions and involves a significant degree of judgment, taking into consideration a combination of internal and external factors, including the 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, real estate properties, certain funds of hedge funds and credit-focused investments.

Real Estate Investments – The fair values of real estate investments are determined by considering projected operating cash flows, sales of comparable assets, if any, and replacement costs, among other measures. The methods used to estimate the fair value of real estate investments include the discounted cash flow method and/or capitalization rates ("cap rates") analysis. Valuations may be derived by reference to observable valuation measures for comparable companies or assets (for example, multiplying a key performance metric of the investee company or asset, such as EBITDA, by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables, and in some instances by reference to option pricing models or other similar methods. Where a discounted cash flow method is used, a terminal value is derived by reference to an exit EBITDA multiple or capitalization rate. Additionally, where applicable, projected distributable cash flow-through debt maturity will be considered in support of the investment's fair value.

Private Equity Investments – The fair values of private equity investments are determined by reference to projected net earnings, earnings before interest, taxes, depreciation and amortization ("EBITDA"), the discounted cash flow method, public market or private transactions, valuations for comparable companies and other measures which, in many cases, are based on unaudited information at the time received. Valuations may be derived by reference to observable valuation measures for comparable companies or transactions (for example, multiplying a key performance metric of the investee company, such as EBITDA, by a relevant valuation multiple observed in the range of comparable companies or transactions), adjusted by management for differences between the investment and the referenced comparables, and in some instances by reference to option pricing models or other similar methods. Where a discounted cash flow method is used, a terminal value is derived by reference to EBITDA or price/earnings exit multiples.

Credit-Focused Investments – The fair values of credit-focused investments are generally determined on the basis of prices between market participants provided by reputable dealers or pricing services. For credit-focused investments that are not publicly traded or whose market prices are not readily available, Blackstone may utilize other valuation techniques, including the discounted cash flow method or a market approach. The discounted cash flow method projects the expected cash flows of the debt instrument based on contractual terms, and discounts such cash flows back to the valuation date using a market-based yield. The market-based yield is estimated using yields of publicly traded debt instruments issued by companies operating in similar industries as the subject investment, with similar leverage statistics and time to maturity.

The market approach is generally used to determine the enterprise value of the issuer of a credit investment, and considers valuation multiples of comparable companies or transactions. The resulting enterprise value will dictate whether or not such credit investment has adequate enterprise value coverage. In cases of distressed credit instruments, the market approach may be used to estimate a recovery value in the event of a restructuring.

Investments, at Fair Value

The Blackstone Funds are accounted for as investment companies under the American Institute of Certified Public Accountants Accounting and Auditing Guide, *Investment Companies*, and in accordance with the GAAP guidance on investment companies and reflect their investments, including majority owned and controlled investments (the "Portfolio Companies"), at fair value. Such consolidated funds' investments are reflected in Investments on the Condensed Consolidated Statements of Financial Condition at fair value, with unrealized gains and losses resulting from changes in fair value reflected as a component of Net Gains from Fund Investment Activities in the Condensed Consolidated Statements of Operations. Fair value is the amount that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date, at current market conditions (i.e., the exit price).

Blackstone's principal investments are presented at fair value with unrealized appreciation or depreciation and realized gains and losses recognized in the Condensed Consolidated Statements of Operations within Investment Income (Loss).

For certain instruments, Blackstone has elected the fair value option. Such election is irrevocable and is applied on an investment by investment basis at initial recognition. Blackstone has applied the fair value option for certain loans and receivables, unfunded loan commitments and certain investments in private debt securities that otherwise would not have been carried at fair value with gains and losses recorded in net income. The methodology for measuring the fair value of such investments is consistent with the methodology applied to private equity, real estate, credit-focused and funds of hedge funds investments. Changes in the fair value of such instruments are recognized in Investment Income (Loss) in the Condensed Consolidated Statements of Operations. Interest income on interest bearing loans and receivables and debt securities on which the fair value option has been elected is based on stated coupon rates adjusted for the accretion of purchase discounts and the amortization of purchase premiums. This interest income is recorded within Interest and Dividend Revenue.

Blackstone has elected the fair value option for the assets of consolidated CLO vehicles. As permitted under GAAP, Blackstone measures the liabilities of consolidated CLO vehicles as (a) the sum of the fair value of the consolidated CLO assets and the carrying value of any non-financial assets held temporarily, less (b) the sum of the fair value of any beneficial interests retained by Blackstone (other than those that represent compensation for services) and Blackstone's carrying value of any beneficial interests that represent compensation for services. As a result of this measurement alternative, there is no attribution of amounts to Non-Controlling Interests for consolidated CLO vehicles. Assets of the consolidated CLOs are presented within Investments within the Condensed Consolidated Statements of Financial Condition and Liabilities within Loans Payable for the amounts due to unaffiliated third parties and Due to Affiliates for the amounts held by non-consolidated affiliates. Changes in the fair value of consolidated CLO assets and liabilities and related interest, dividend and other income are presented within Net Gains from Fund Investment Activities. Expenses of consolidated CLO vehicles are presented in Fund Expenses.

Blackstone has elected the fair value option for certain proprietary investments that would otherwise have been accounted for using the equity method of accounting. The fair value of such investments is based on quoted prices in an active market or using the discounted cash flow method. Changes in fair value are recognized in Investment Income (Loss) in the Condensed Consolidated Statements of Operations.

Further disclosure on instruments for which the fair value option has been elected is presented in Note 7. "Fair Value Option."

The investments of consolidated Blackstone Funds in funds of hedge funds ("Investee Funds") are valued at net asset value ("NAV") per share of the Investee Fund. In limited circumstances, Blackstone may determine, based on its own due diligence and investment procedures, that NAV per share does not represent fair value. In such circumstances, Blackstone will estimate the fair value in good faith and in a manner that it reasonably chooses, in accordance with the requirements of GAAP.

Certain investments of Blackstone and of the consolidated Blackstone funds of hedge funds and credit-focused funds measure their investments in underlying funds at fair value using NAV per share without adjustment. The terms of the investee's investment generally provide for minimum holding periods or lock-ups, the institution of gates on redemptions or the suspension of redemptions or an ability to side-pocket investments, at the discretion of the investee's fund manager, and as a result, investments may not be redeemable at, or within three months of, the reporting date. A side-pocket is used by hedge funds and funds of hedge funds to separate investments that may lack a readily ascertainable value, are illiquid or are subject to liquidity restriction. Redemptions are generally not permitted until the investments within a side-pocket are liquidated or it is deemed that the conditions existing at the time that required the investment to be included in the side-pocket no longer exist. As the timing of either of these events is uncertain, the timing at which Blackstone may redeem an investment held in a side-pocket cannot be estimated. Further disclosure on instruments for which fair value is measured using NAV per share is presented in Note 5. "Net Asset Value as Fair Value."

Security and loan transactions are recorded on a trade date basis.

Equity Method Investments

Investments in which Blackstone is deemed to exert significant influence, but not control, are accounted for using the equity method of accounting except in cases where the fair value option has been elected. Blackstone has significant influence over all Blackstone Funds in which it invests but does not consolidate. Therefore, its investments in such Blackstone Funds, which include both a proportionate and disproportionate allocation of the profits and losses (as is the case with carry funds that include a Performance Allocation), are accounted for under the equity method. Under the equity method of accounting, Blackstone's share of earnings (losses) from equity method investments is included in Investment Income (Loss) in the Condensed Consolidated Statements of Operations.

In cases where Blackstone's equity method investments provide for a disproportionate allocation of the profits and losses (as is the case with carry funds that include a Performance Allocation), Blackstone's share of earnings (losses) from equity method investments is determined using a balance sheet approach referred to as the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, at the end of each reporting period, Blackstone calculates the Accrued Performance Allocations that would be due to Blackstone for each fund pursuant to the fund agreements as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as Accrued Performance Allocations to reflect either (a) positive performance resulting in an increase in the Accrued Performance Allocation to the general partner, or (b) negative performance that would cause the amount due to Blackstone to be less than the amount previously recognized as revenue, resulting in a negative adjustment to the Accrued Performance Allocation to the general partner. In each scenario, it is necessary to calculate the Accrued Performance Allocation on cumulative results compared to the Accrued Performance Allocation recorded to date and make the required positive or negative adjustments. Blackstone ceases to record negative Performance Allocations once previously Accrued Performance Allocations for such fund have been fully reversed. Blackstone is not obligated to pay guaranteed returns or hurdles, and therefore, cannot have negative Performance Allocations over the life of a fund. The carrying amounts of equity method investments are reflected in Investments in the Condensed Consolidated Statements of Financial Condition.

Strategic Partners' results presented in Blackstone's financial statements are reported on a three month lag from Strategic Partners' fund financial statements, which report the performance of underlying investments generally on a same quarter basis, if available. Therefore, Strategic Partners' results presented herein do not reflect the impact of economic and market activity in the current quarter. Current quarter market activity of Strategic Partners' underlying investments is expected to affect Blackstone's reported results in upcoming periods. Effective September 30, 2021, Strategic Partners' fund financial reporting process was updated to report the performance of underlying fund investments generally on a same-quarter basis, if available. Previously, such fund financial reporting in Strategic Partners' fund financial statements generally reported on a three month lag. This update to Strategic Partners' fund financial reporting process has permitted Strategic Partners' appreciation to be reported in Blackstone's financial statements on a more current basis. As a result of the reporting process change, for the three months and nine months ended September 30, 2021, Strategic Partners' results presented in Blackstone's financial statements reflect the market activity of two quarters and four quarters, respectively.

Compensation and Benefits

Compensation and Benefits — Compensation — Compensation consists of (a) salary and bonus, and benefits paid and payable to employees and senior managing directors and (b) equity-based compensation associated with the grants of equity-based awards to employees and senior managing directors. Compensation cost relating to the issuance of equity-based awards to senior managing directors and employees is measured at fair value at the grant date, and expensed over the vesting period on a straight-line basis, taking into consideration expected forfeitures, except in the case of (a) equity-based awards that do not require future service, which are expensed immediately, and (b) certain awards to recipients that meet criteria making them eligible for retirement (allowing such recipient to keep a percentage of those awards upon departure from Blackstone after becoming eligible for retirement), for which the expense for the portion of the award that would be retained in the event of retirement is either expensed immediately or amortized to the retirement date. Cash settled equity-based awards are classified as liabilities and are remeasured at the end of each reporting period.

Compensation and Benefits — Incentive Fee Compensation — Incentive Fee Compensation consists of compensation paid based on Incentive Fees.

Compensation and Benefits — Performance Allocations Compensation — Performance Allocation Compensation consists of compensation paid based on Performance Allocations (which may be distributed in cash or in-kind). Such compensation expense is subject to both positive and negative adjustments. Unlike Performance Allocations, compensation expense is based on the performance of individual investments held by a fund rather than on a fund by fund basis. These amounts may also include allocations of investment income from Blackstone's principal investments, to senior managing directors and employees participating in certain profit sharing initiatives.

Non-Controlling Interests in Consolidated Entities

Non-Controlling Interests in Consolidated Entities represent the component of Equity in consolidated Blackstone Funds held by third party investors and employees. The percentage interests held by third parties and employees is adjusted for general partner allocations and by subscriptions and redemptions in funds of hedge funds and certain credit-focused funds which occur during the reporting period. In addition, all non-controlling interests in consolidated Blackstone Funds are attributed a share of income (loss) arising from the respective funds and a share of other comprehensive income, if applicable. Income (Loss) is allocated to non-controlling interests in consolidated entities based on the relative ownership interests of third party investors and employees after considering any contractual arrangements that govern the allocation of income (loss) such as fees allocable to Blackstone Inc.

Redeemable Non-Controlling Interests in Consolidated Entities

Non-controlling interests related to funds of hedge funds are subject to annual, semi-annual or quarterly redemption by investors in these funds following the expiration of a specified period of time, or may be withdrawn subject to a redemption fee during the period when capital may not be withdrawn. As limited partners in these types of funds have been granted redemption rights, amounts relating to third party interests in such consolidated funds are presented as Redeemable Non-Controlling Interests in Consolidated Entities within the Condensed Consolidated Statements of Financial Condition. When redeemable amounts become legally payable to investors, they are classified as a liability and included in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition. For all consolidated funds in which redemption rights have not been granted, non-controlling interests are presented within Equity in the Condensed Consolidated Statements of Financial Condition as Non-Controlling Interests in Consolidated Entities.

Non-Controlling Interests in Blackstone Holdings

Non-Controlling Interests in Blackstone Holdings represent the component of Equity in the consolidated Blackstone Holdings Partnerships held by Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships.

Certain costs and expenses are borne directly by the Holdings Partnerships. Income (Loss), excluding those costs directly borne by and attributable to the Holdings Partnerships, is attributable to Non-Controlling Interests in Blackstone Holdings. This residual attribution is based on the year to date average percentage of Blackstone Holdings Partnership Units and unvested participating Holdings Partnership Units held by Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. Unvested participating Holdings Partnership Units are excluded from the attribution in periods of loss as they are not contractually obligated to share in losses of the Holdings Partnerships.

Net Income (Loss) Per Share of Common Stock

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

Blackstone applies the treasury stock method to determine the dilutive weighted-average common shares outstanding for certain equity-based compensation awards. Blackstone applies the "if-converted" method to the Blackstone Holdings Partnership Units to determine the dilutive impact, if any, of the exchange right included in the Blackstone Holdings Partnership Units.

Reverse Repurchase and Repurchase Agreements

Securities purchased under agreements to resell ("reverse repurchase agreements") and securities sold under agreements to repurchase ("repurchase agreements"), comprised primarily of U.S. and non-U.S. government and agency securities, asset-backed securities and corporate debt, represent collateralized financing transactions. Such transactions are recorded in the Condensed Consolidated Statements of Financial Condition at their contractual amounts and include accrued interest. The carrying value of reverse repurchase and repurchase agreements approximates fair value.

Blackstone manages credit exposure arising from reverse repurchase agreements and repurchase agreements by, in appropriate circumstances, entering into master netting agreements and collateral arrangements with counterparties that provide Blackstone, in the event of a counterparty default, the right to liquidate collateral and the right to offset a counterparty's rights and obligations.

Blackstone takes possession of securities purchased under reverse repurchase agreements and is permitted to repledge, deliver or otherwise use such securities. Blackstone also pledges its financial instruments to counterparties to collateralize repurchase agreements. Financial instruments pledged that can be repledged, delivered or otherwise used by the counterparty are recorded in Investments in the Condensed Consolidated Statements of Financial Condition. Additional disclosures relating to repurchase agreements are discussed in Note 10. "Repurchase Agreements."

Blackstone does not offset assets and liabilities relating to reverse repurchase agreements and repurchase agreements in its Condensed Consolidated Statements of Financial Condition. Additional disclosures relating to offsetting are discussed in Note 11. "Offsetting of Assets and Liabilities."

Securities Sold, Not Yet Purchased

Securities Sold, Not Yet Purchased consist of equity and debt securities that Blackstone has borrowed and sold. Blackstone is required to "cover" its short sale in the future by purchasing the security at prevailing market prices and delivering it to the counterparty from which it borrowed the security. Blackstone is exposed to loss in the event that the price at which a security may have to be purchased to cover a short sale exceeds the price at which the borrowed security was sold short.

Securities Sold, Not Yet Purchased are recorded at fair value in the Condensed Consolidated Statements of Financial Condition.

Derivative Instruments

Blackstone recognizes all derivatives as assets or liabilities on its Condensed Consolidated Statements of Financial Condition at fair value. On the date Blackstone enters into a derivative contract, it designates and documents each derivative contract as one of the following: (a) a hedge of a recognized asset or liability ("fair value hedge"), (b) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), (c) a hedge of a net investment in a foreign operation, or (d) a derivative instrument not designated as a hedging instrument ("freestanding derivative"). Gains or losses on a derivative instrument that is designated as, and is effective as, an economic hedge of a net investment in a foreign operation are reported in the cumulative translation adjustment section of other comprehensive income to the extent it is effective as a hedge. The ineffective portion of a net investment hedge is recognized in current period earnings.

Blackstone formally documents at inception its hedge relationships, including identification of the hedging instruments and the hedged items, its risk management objectives, strategy for undertaking the hedge transaction and Blackstone's evaluation of effectiveness of its hedged transaction. At least monthly, Blackstone also formally assesses whether the derivative it designated in each hedging relationship is expected to be, and has been, highly effective in offsetting changes in estimated fair values or cash flows of the hedged items using either the regression analysis or the dollar offset method. For net investment hedges, Blackstone uses a method based on changes in spot rates to measure effectiveness. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued. The fair values of hedging derivative instruments are reflected within Other Assets in the Condensed Consolidated Statements of Financial Condition.

For freestanding derivative contracts, Blackstone presents changes in fair value in current period earnings. Changes in the fair value of derivative instruments held by consolidated Blackstone Funds are reflected in Net Gains from Fund Investment Activities or, where derivative instruments are held by Blackstone, within Investment Income (Loss) in the Condensed Consolidated Statements of Operations. The fair value of freestanding derivative assets of the consolidated Blackstone Funds are recorded within Investments, the fair value of freestanding derivative assets that are not part of the consolidated Blackstone Funds are recorded within Other Assets and the fair value of freestanding derivative liabilities are recorded within Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition.

Blackstone has elected to not offset derivative assets and liabilities or financial assets in its Condensed Consolidated Statements of Financial Condition, including cash, that may be received or paid as part of collateral arrangements, even when an enforceable master netting agreement is in place that provides Blackstone, in the event of counterparty default, the right to liquidate collateral and the right to offset a counterparty's rights and obligations.

Blackstone's other disclosures regarding derivative financial instruments are discussed in Note 6. "Derivative Financial Instruments."

Blackstone's disclosures regarding offsetting are discussed in Note 11. "Offsetting of Assets and Liabilities."

Affiliates

Blackstone considers its Founder, senior managing directors, employees, the Blackstone Funds and the Portfolio Companies to be affiliates.

Dividends

Dividends are reflected in the condensed consolidated financial statements when declared.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

3. Intangible Assets

Intangible Assets, Net consists of the following:

	September 30, 2021	December 31, 2020
Finite-Lived Intangible Assets/Contractual Rights	$ 1,745,376	$ 1,734,076
Accumulated Amortization	(1,442,294)	(1,386,121)
Intangible Assets, Net	$ 303,082	$ 347,955

Amortization expense associated with Blackstone's intangible assets was $18.7 million and $56.2 million for the three and nine month periods ended September 30, 2021, respectively, and $17.7 million and $53.2 million for the three and nine month periods ended September 30, 2020, respectively.

Amortization of Intangible Assets held at September 30, 2021 is expected to be $74.9 million, $67.1 million, $38.1 million, $30.5 million, and $30.5 million for each of the years ending December 31, 2021, 2022, 2023, 2024 and 2025, respectively. Blackstone's Intangible Assets as of September 30, 2021 are expected to amortize over a weighted-average period of 7.3 years.

4. Investments

Investments consist of the following:

	September 30, 2021	December 31, 2020
Investments of Consolidated Blackstone Funds	$ 2,104,705	$ 1,455,008
Equity Method Investments		
Partnership Investments	5,303,334	4,353,234
Accrued Performance Allocations	15,063,648	6,891,262
Corporate Treasury Investments	1,520,426	2,579,716
Other Investments	1,112,082	337,922
	$ 25,104,195	$ 15,617,142

Blackstone's share of Investments of Consolidated Blackstone Funds totaled $403.2 million and $198.3 million at September 30, 2021 and December 31, 2020, respectively.

Where appropriate, the accounting for Blackstone's investments incorporates the changes in fair value of those investments as determined under GAAP. The significant inputs and assumptions required to determine the change in fair value of the investments of Consolidated Blackstone Funds, Corporate Treasury Investments and Other Investments are discussed in more detail in Note 8. "Fair Value Measurements of Financial Instruments."

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Investments of Consolidated Blackstone Funds

The following table presents the Realized and Net Change in Unrealized Gains (Losses) on investments held by the consolidated Blackstone Funds and a reconciliation to Other Income (Loss) – Net Gains (Losses) from Fund Investment Activities in the Condensed Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Realized Gains (Losses)	$ 37,697	$ 3,946	$ 99,692	$ (131,026)
Net Change in Unrealized Gains (Losses)	86,303	97,097	259,259	(19,693)
Realized and Net Change in Unrealized Gains (Losses) from Consolidated Blackstone Funds	124,000	101,043	358,951	(150,719)
Interest and Dividend Revenue Attributable to Consolidated Blackstone Funds	8,312	7,709	20,830	90,394
Other Income (Loss) – Net Gains (Losses) from Fund Investment Activities	$ 132,312	$ 108,752	$ 379,781	$ (60,325)

Equity Method Investments

Blackstone's equity method investments include Partnership Investments, which represent the pro-rata investments, and any associated Accrued Performance Allocations in Blackstone Funds. Prior to January 26, 2021, Partnership Investments also included the 40% non-controlling interest in Pátria Investments Limited and Pátria Investimentos Ltda. (collectively, "Pátria").

On January 26, 2021, Pátria completed its initial public offering ("IPO"), pursuant to which Blackstone sold a portion of its interests and no longer has representatives or the right to designate representatives on Pátria's board of directors. As a result of Pátria's pre-IPO reorganization transactions (which included Blackstone's sale of 10% of Pátria's pre-IPO shares to Pátria's controlling shareholder) and the consummation of the IPO, Blackstone is deemed to no longer have significant influence over Pátria due to Blackstone's decreased ownership and lack of board representation. Following the IPO, Blackstone will account for its retained interest in Pátria at fair value in accordance with the GAAP guidance for investments in equity securities with a readily determinable fair value.

Blackstone evaluates each of its equity method investments, excluding Accrued Performance Allocations, to determine if any were significant as defined by guidance from the United States Securities and Exchange Commission. As of and for the nine months ended September 30, 2021 and 2020, no individual equity method investment held by Blackstone met the significance criteria. As such, Blackstone is not required to present separate financial statements for any of its equity method investments.

Partnership Investments

Blackstone recognized net gains related to its Partnership Investments accounted for under the equity method of $469.0 million and $305.2 million for the three months ended September 30, 2021 and 2020, respectively. Blackstone recognized net gains (losses) related to its equity method investments of $1.6 billion and $(13.5) million for the nine months ended September 30, 2021 and 2020, respectively.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Accrued Performance Allocations

Accrued Performance Allocations to Blackstone were as follows:

	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
Accrued Performance Allocations, December 31, 2020	$ 3,033,462	$ 3,487,206	$ 42,293	$ 328,301	$ 6,891,262
Performance Allocations as a Result of Changes in Fund Fair Values	4,700,366	5,277,832	511,027	309,445	10,798,670
Foreign Exchange Loss	(53,944)	—	—	—	(53,944)
Fund Distributions	(899,426)	(1,571,531)	(19,405)	(81,978)	(2,572,340)
Accrued Performance Allocations, September 30, 2021	$ 6,780,458	$ 7,193,507	$ 533,915	$ 555,768	$ 15,063,648

Corporate Treasury Investments

The portion of corporate treasury investments included in Investments represents Blackstone's investments into primarily fixed income securities, mutual fund interests, and other fund interests. These strategies are managed by a combination of Blackstone personnel and third party advisors. The following table presents the Realized and Net Change in Unrealized Gains (Losses) on these investments:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Realized Gains (Losses)	$ (359)	$ (1,431)	$ 5,526	$ (3,187)
Net Change in Unrealized Gains (Losses)	3,196	48,480	42,648	(94,917)
	$ 2,837	$ 47,049	$ 48,174	$ (98,104)

Other Investments

Other Investments consist primarily of proprietary investment securities held by Blackstone, including subordinated notes in non-consolidated CLO vehicles and the retained interest in Pátria following Pátria's IPO. Other Investments include equity investments without readily determinable fair values which have a carrying value of $211.4 million as of September 30, 2021. The following table presents Blackstone's Realized and Net Change in Unrealized Gains (Losses) in Other Investments:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Realized Gains	$ 100,289	$ 3,830	$ 129,711	$ 17,163
Net Change in Unrealized Gains (Losses)	(51,380)	7,268	234,187	(66,096)
	$ 48,909	$ 11,098	$ 363,898	$ (48,933)

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

5. Net Asset Value as Fair Value

A summary of fair value by strategy type and ability to redeem such investments as of September 30, 2021 is presented below:

Strategy (a)	Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
Diversified Instruments	$ 33	(b)	(b)
Credit Driven	390,629	(c)	(c)
Equity	53,406	(d)	(d)
Commodities	971	(e)	(e)
	$ 445,039		

(a) As of September 30, 2021, Blackstone had no unfunded commitments.
(b) Diversified Instruments include investments in funds that invest across multiple strategies. Investments representing 100% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date.
(c) The Credit Driven category includes investments in hedge funds that invest primarily in domestic and international bonds. Investments representing 4% of the fair value of the investments in this category are in liquidation. The remaining 96% of investments in this category may not be redeemed at, or within three months of, the reporting date.
(d) The Equity category includes investments in hedge funds that invest primarily in domestic and international equity securities. Investments representing 1% of the fair value of the investments in this category are in liquidation. The remaining 99% of investments in this category are redeemable as of the reporting date. As of the reporting date, the investee fund manager had elected to side-pocket 1% of Blackstone's investments in the category.
(e) The Commodities category includes investments in commodities-focused funds that primarily invest in futures and physical-based commodity driven strategies. Investments representing 100% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date.

6. Derivative Financial Instruments

Blackstone and the consolidated Blackstone Funds enter into derivative contracts in the normal course of business to achieve certain risk management objectives and for general investment purposes. Blackstone may enter into derivative contracts in order to hedge its interest rate risk exposure against the effects of interest rate changes. Additionally, Blackstone may also enter into derivative contracts in order to hedge its foreign currency risk exposure against the effects of a portion of its non-U.S. dollar denominated currency net investments. As a result of the use of derivative contracts, Blackstone and the consolidated Blackstone Funds are exposed to the risk that counterparties will fail to fulfill their contractual obligations. To mitigate such counterparty risk, Blackstone and the consolidated Blackstone Funds enter into contracts with certain major financial institutions, all of which have investment grade ratings. Counterparty credit risk is evaluated in determining the fair value of derivative instruments.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Freestanding Derivatives

Freestanding derivatives are instruments that Blackstone and certain of the consolidated Blackstone Funds have entered into as part of their overall risk management and investment strategies. These derivative contracts are not designated as hedging instruments for accounting purposes. Such contracts may include interest rate swaps, foreign exchange contracts, equity swaps, options, futures and other derivative contracts.

The table below summarizes the aggregate notional amount and fair value of the derivative financial instruments. The notional amount represents the absolute value amount of all outstanding derivative contracts.

	September 30, 2021				December 31, 2020			
	Assets		Liabilities		Assets		Liabilities	
	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value
Freestanding Derivatives								
Blackstone								
Interest Rate Contracts	$ 685,429	$ 75,042	$ 768,260	$ 83,903	$ 684,320	$ 113,072	$ 862,887	$ 190,342
Foreign Currency Contracts	386,404	6,814	248,554	4,152	316,787	7,392	334,015	3,941
Credit Default Swaps	2,007	160	9,916	981	2,706	331	9,158	1,350
Other	—	—	—	—	5,000	5,227	—	—
	1,073,840	82,016	1,026,730	89,036	1,008,813	126,022	1,206,060	195,633
Investments of Consolidated Blackstone Funds								
Foreign Currency Contracts	75,919	1,569	—	—	—	—	66,431	2,651
Interest Rate Contracts	—	—	14,000	984	—	—	14,000	1,485
Credit Default Swaps	3,786	288	23,250	1,077	8,282	542	41,290	1,558
Total Return Swaps	—	—	—	—	—	—	19,275	2,125
	79,705	1,857	37,250	2,061	8,282	542	140,996	7,819
	$ 1,153,545	$ 83,873	$ 1,063,980	$ 91,097	$ 1,017,095	$ 126,564	$ 1,347,056	$ 203,452

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The table below summarizes the impact to the Condensed Consolidated Statements of Operations from derivative financial instruments:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Freestanding Derivatives				
Realized Gains (Losses)				
Interest Rate Contracts	$ (4,181)	$ (221)	$ (2,883)	$ (8,135)
Foreign Currency Contracts	(4,812)	6,889	(389)	1,749
Credit Default Swaps	10	(8)	(980)	(120)
Total Return Swaps	161	(113)	(1,254)	(1,644)
Other	—	26	(40)	(12)
	(8,822)	6,573	(5,546)	(8,162)
Net Change in Unrealized Gains (Losses)				
Interest Rate Contracts	27,025	(124,934)	72,210	(44,599)
Foreign Currency Contracts	6,807	(5,887)	3,431	(2,300)
Credit Default Swaps	106	(732)	948	(2,103)
Total Return Swaps	—	856	2,130	(3,243)
Other	—	(4)	(20)	32
	33,938	(130,701)	78,699	(52,213)
	$ 25,116	$ (124,128)	$ 73,153	$ (60,375)

As of September 30, 2021 and December 31, 2020, Blackstone had not designated any derivatives as cash flow hedges.

7. Fair Value Option

The following table summarizes the financial instruments for which the fair value option has been elected:

	September 30, 2021	December 31, 2020
Assets		
Loans and Receivables	$ 239,766	$ 581,079
Equity and Preferred Securities	763,876	532,790
Debt Securities	336,360	448,352
	$ 1,340,002	$ 1,562,221
Liabilities		
Corporate Treasury Commitments	$ 366	$ 244

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following tables present the Realized and Net Change in Unrealized Gains (Losses) on financial instruments on which the fair value option was elected:

	Three Months Ended September 30,			
	2021		2020	
	Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)	Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)
Assets				
Loans and Receivables	$ (2,631)	$ (509)	$ (2,443)	$ 3,681
Equity and Preferred Securities	989	2,914	—	(11,207)
Debt Securities	909	(2,303)	(2,807)	23,901
	$ (733)	$ 102	$ (5,250)	$ 16,375
Liabilities				
Corporate Treasury Commitments	$ —	$ 80	$ —	$ 1,325

	Nine Months Ended September 30,			
	2021		2020	
	Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)	Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)
Assets				
Loans and Receivables	$ (10,527)	$ 4,574	$ (8,213)	$ 3,413
Equity and Preferred Securities	19,433	43,315	(342)	(114,954)
Debt Securities	10,879	(6,538)	(23,909)	14,772
Assets of Consolidated CLO Vehicles (a)				
Corporate Loans	—	—	(96,194)	(226,542)
Other	—	—	—	(325)
	$ 19,785	$ 41,351	$ (128,658)	$ (323,636)
Liabilities				
Liabilities of Consolidated CLO Vehicles (a)				
Senior Secured Notes	$ —	$ —	$ —	$ 199,445
Subordinated Notes	—	—	—	30,046
Corporate Treasury Commitments	—	(113)	—	(705)
	$ —	$ (113)	$ —	$ 228,786

(a) During the year ended December 31, 2020, Blackstone deconsolidated nine CLO vehicles. See Note 9. “Variable Interest Entities” for additional details.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following table presents information for those financial instruments for which the fair value option was elected:

	September 30, 2021			December 31, 2020		
		For Financial Assets Past Due			For Financial Assets Past Due	
	(Deficiency) of Fair Value Over Principal	Fair Value	Excess of Fair Value Over Principal	(Deficiency) of Fair Value Over Principal	Fair Value	Excess of Fair Value Over Principal
Loans and Receivables	$ (1,634)	$ —	$ —	$ (7,807)	$ —	$ —
Debt Securities	(28,679)	—	—	(29,359)	—	—
	$ (30,313)	$ —	$ —	$ (37,166)	$ —	$ —

As of September 30, 2021 and December 31, 2020, no Loans and Receivables for which the fair value option was elected were past due or in non-accrual status.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

8. Fair Value Measurements of Financial Instruments

The following tables summarize the valuation of Blackstone's financial assets and liabilities by the fair value hierarchy:

	September 30, 2021				
	Level I	Level II	Level III	NAV	Total
Assets					
Cash and Cash Equivalents	$ 2,251,662	$ —	$ —	$ —	$ 2,251,662
Investments					
Investments of Consolidated Blackstone Funds					
Investment Funds	—	—	—	15,165	15,165
Equity Securities, Partnerships and LLC Interests	32,316	190,439	1,050,488	372,301	1,645,544
Debt Instruments	656	393,017	48,466	—	442,139
Freestanding Derivatives	—	1,857	—	—	1,857
Total Investments of Consolidated Blackstone Funds	32,972	585,313	1,098,954	387,466	2,104,705
Corporate Treasury Investments	267,377	1,234,284	18,765	—	1,520,426
Other Investments	367,623	246,783	228,740	57,573	900,719
Total Investments	667,972	2,066,380	1,346,459	445,039	4,525,850
Accounts Receivable - Loans and Receivables	—	—	239,766	—	239,766
Other Assets - Freestanding Derivatives	2,365	79,651	—	—	82,016
	$ 2,921,999	$ 2,146,031	$ 1,586,225	$ 445,039	$ 7,099,294
Liabilities					
Securities Sold, Not Yet Purchased	$ 11,912	$ 23,745	$ —	$ —	$ 35,657
Accounts Payable, Accrued Expenses and Other Liabilities					
Consolidated Blackstone Funds - Freestanding Derivatives	—	2,061	—	—	2,061
Freestanding Derivatives	219	88,817	—	—	89,036
Corporate Treasury Commitments (a)	—	—	366	—	366
Total Accounts Payable, Accrued Expenses and Other Liabilities	219	90,878	366	—	91,463
	$ 12,131	$ 114,623	$ 366	$ —	$ 127,120

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	December 31, 2020				
	Level I	**Level II**	**Level III**	**NAV**	**Total**
Assets					
Cash and Cash Equivalents	$ 597,130	$ 15,606	$ —	$ —	$ 612,736
Investments					
Investments of Consolidated Blackstone Funds					
Investment Funds	—	—	—	15,711	15,711
Equity Securities, Partnerships and LLC Interests	39,694	48,471	792,958	—	881,123
Debt Instruments	—	492,280	65,352	—	557,632
Freestanding Derivatives	—	542	—	—	542
Total Investments of Consolidated Blackstone Funds	39,694	541,293	858,310	15,711	1,455,008
Corporate Treasury Investments	996,516	1,517,809	7,899	57,492	2,579,716
Other Investments	187,089	—	61,053	4,762	252,904
Total Investments	1,223,299	2,059,102	927,262	77,965	4,287,628
Accounts Receivable - Loans and Receivables	—	—	581,079	—	581,079
Other Assets - Freestanding Derivatives	162	125,860	—	—	126,022
	$ 1,820,591	$ 2,200,568	$ 1,508,341	$ 77,965	$ 5,607,465
Liabilities					
Securities Sold, Not Yet Purchased	$ 9,324	$ 41,709	$ —	$ —	$ 51,033
Accounts Payable, Accrued Expenses and Other Liabilities					
Consolidated Blackstone Funds - Freestanding Derivatives	—	7,819	—	—	7,819
Freestanding Derivatives	373	195,260	—	—	195,633
Corporate Treasury Commitments (a)	—	—	244	—	244
Total Accounts Payable, Accrued Expenses and Other Liabilities	373	203,079	244	—	203,696
	$ 9,697	$ 244,788	$ 244	$ —	$ 254,729

LLC Limited Liability Company.

(a) Corporate Treasury Commitments are measured using third party pricing.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level III of the fair value hierarchy as of September 30, 2021:

	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted-Average (a)	Impact to Valuation from an Increase in Input
Financial Assets						
Investments of Consolidated Blackstone Funds						
Equity Securities, Partnership and LLC Interests	$ 1,050,488	Discounted Cash Flows	Discount Rate	2.9% - 44.1%	10.5%	Lower
			Exit Multiple - EBITDA	3.7x - 31.4x	13.5x	Higher
			Exit Capitalization Rate	2.8% - 15.0%	5.0%	Lower
		Transaction Price	n/a			
Debt Instruments	48,466	Discounted Cash Flows	Discount Rate	6.6% - 19.3%	9.4%	Lower
		Third Party Pricing	n/a			
Total Investments of Consolidated Blackstone Funds	1,098,954					
Corporate Treasury Investments	18,765	Discounted Cash Flows	Discount Rate	5.2% - 8.2%	6.6%	Lower
		Third Party Pricing	n/a			
Loans and Receivables	239,766	Discounted Cash Flows	Discount Rate	6.8% - 8.6%	7.6%	Lower
Other Investments	228,740	Third Party Pricing	n/a			
		Transaction Price	n/a			
	$ 1,586,225					

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following table summarizes the quantitative inputs and assumptions used for items categorized in Level III of the fair value hierarchy as of December 31, 2020:

	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted-Average (a)	Impact to Valuation from an Increase in Input
Financial Assets						
Investments of Consolidated Blackstone Funds						
Equity Securities, Partnership and LLC Interests	$ 792,958	Discounted Cash Flows	Discount Rate	3.8% - 42.1%	10.8%	Lower
			Exit Multiple - EBITDA	1.7x - 24.0x	13.2x	Higher
			Exit Capitalization Rate	2.7% - 14.9%	5.4%	Lower
		Transaction Price	n/a			
		Other	n/a			
Debt Instruments	65,352	Discounted Cash Flows	Discount Rate	6.3% - 19.3%	8.6%	Lower
		Third Party Pricing	n/a			
Total Investments of Consolidated Blackstone Funds	858,310					
Corporate Treasury Investments	7,899	Discounted Cash Flows	Discount Rate	3.3% - 7.4%	6.4%	Lower
		Third Party Pricing	n/a			
Loans and Receivables	581,079	Discounted Cash Flows	Discount Rate	6.7% - 10.3%	7.8%	Lower
Other Investments	61,053	Third Party Pricing	n/a			
		Transaction Price	n/a			
		Other	n/a			
	$ 1,508,341					

n/a	Not applicable.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
Exit Multiple	Ranges include the last twelve months EBITDA and forward EBITDA multiples.
Third Party Pricing	Third Party Pricing is generally determined on the basis of unadjusted prices between market participants provided by reputable dealers or pricing services.
Transaction Price	Includes recent acquisitions or transactions.
(a)	Unobservable inputs were weighted based on the fair value of the investments included in the range.

Since December 31, 2020, there have been no changes in valuation techniques within Level II and Level III that have had a material impact on the valuation of financial instruments.

The following tables summarize the changes in financial assets and liabilities measured at fair value for which Blackstone has used Level III inputs to determine fair value and does not include gains or losses that were reported in Level III in prior years or for instruments that were transferred out of Level III prior to the end of the respective reporting period. These tables also exclude financial assets and liabilities measured at fair value on a non-recurring basis. Total realized and unrealized gains and losses recorded for Level III investments are reported in either Investment Income (Loss) or Net Gains from Fund Investment Activities in the Condensed Consolidated Statements of Operations.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Level III Financial Assets at Fair Value
Three Months Ended September 30,

	2021				2020			
	Investments of Consolidated Funds	Loans and Receivables	Other Investments (a)	Total	Investments of Consolidated Funds	Loans and Receivables	Other Investments (a)	Total
Balance, Beginning of Period	$ 982,984	$ 223,796	$ 73,475	$ 1,280,255	$ 1,215,374	$ 162,368	$ 33,697	$ 1,411,439
Transfer In (Out) Due to Deconsolidation	—	—	—	—	(471,591)	—	39,875	(431,716)
Transfer Into Level III (b)	—	—	8,018	8,018	26,710	—	3,172	29,882
Transfer Out of Level III (b)	(18,239)	—	(14,400)	(32,639)	(8,444)	—	(8,845)	(17,289)
Purchases	85,581	326,937	191,610	604,128	21,542	79,061	3,861	104,464
Sales	(56,063)	(333,041)	(13,250)	(402,354)	(36,592)	(59,929)	(6,436)	(102,957)
Issuances	—	24,138	—	24,138	—	36,171	—	36,171
Settlements	—	(1,093)	—	(1,093)	—	(20,705)	—	(20,705)
Changes in Gains (Losses) Included in Earnings	104,691	(971)	1,950	105,670	59,300	3,074	5,656	68,030
Balance, End of Period	$ 1,098,954	$ 239,766	$ 247,403	$ 1,586,123	$ 806,299	$ 200,040	$ 70,980	$ 1,077,319
Changes in Unrealized Gains (Losses) Included in Earnings Related to Financial Assets Still Held at the Reporting Date	$ 96,160	$ (3,732)	$ 1,940	$ 94,368	$ 59,693	$ 3,681	$ 7,027	$ 70,401

Level III Financial Assets at Fair Value
Nine Months Ended September 30,

	2021				2020			
	Investments of Consolidated Funds	Loans and Receivables	Other Investments (a)	Total	Investments of Consolidated Funds	Loans and Receivables	Other Investments (a)	Total
Balance, Beginning of Period	$ 858,310	$ 581,079	$ 46,158	$ 1,485,547	$ 1,050,272	$ 500,751	$ 29,289	$ 1,580,312
Transfer In (Out) Due to Deconsolidation	—	—	—	—	(296,741)	—	39,875	(256,866)
Transfer Into Level III (b)	302	—	8,018	8,320	26,176	—	23,293	49,469
Transfer Out of Level III (b)	(105,547)	—	(14,400)	(119,947)	(27,022)	—	(23,791)	(50,813)
Purchases	265,947	683,700	225,070	1,174,717	142,455	249,960	9,632	402,047
Sales	(178,397)	(1,034,253)	(19,414)	(1,232,064)	(80,197)	(566,810)	(11,797)	(658,804)
Issuances	—	43,478	—	43,478	—	36,171	—	36,171
Settlements	—	(46,649)	—	(46,649)	—	(24,355)	—	(24,355)
Changes in Gains (Losses) Included in Earnings	258,339	12,411	1,971	272,721	(8,644)	4,323	4,479	158
Balance, End of Period	$ 1,098,954	$ 239,766	$ 247,403	$ 1,586,123	$ 806,299	$ 200,040	$ 70,980	$ 1,077,319
Changes in Unrealized Gains (Losses) Included in Earnings Related to Financial Assets Still Held at the Reporting Date	$ 222,541	$ (6,842)	$ 1,919	$ 217,618	$ (26,821)	$ 4,824	$ 5,363	$ (16,634)

(a) Represents corporate treasury investments and Other Investments.

(b) Transfers in and out of Level III financial assets and liabilities were due to changes in the observability of inputs used in the valuation of such assets and liabilities.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

9. Variable Interest Entities

Pursuant to GAAP consolidation guidance, Blackstone consolidates certain VIEs for which it is the primary beneficiary either directly or indirectly, through a consolidated entity or affiliate. VIEs include certain private equity, real estate, credit-focused or funds of hedge funds entities and CLO vehicles. The purpose of such VIEs is to provide strategy specific investment opportunities for investors in exchange for management and performance-based fees. The investment strategies of the Blackstone Funds differ by product; however, the fundamental risks of the Blackstone Funds are similar, including loss of invested capital and loss of management fees and performance-based fees. In Blackstone's role as general partner, collateral manager or investment adviser, it generally considers itself the sponsor of the applicable Blackstone Fund. Blackstone does not provide performance guarantees and has no other financial obligation to provide funding to consolidated VIEs other than its own capital commitments.

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

During the year ended December 31, 2020, Blackstone determined that it was no longer the primary beneficiary and deconsolidated nine CLO vehicles as a result of an ownership reorganization and the ongoing decline in Blackstone's economic exposure to these vehicles. Following the ownership reorganization, there are no remaining consolidated CLO vehicles. As of the date of deconsolidation, Blackstone's Total Assets, Total Liabilities and Non-Controlling Interests in Consolidated Entities were reduced by $6.8 billion, $6.6 billion and $216.3 million, respectively. Blackstone continues to receive management fees and Performance Allocations from these vehicles following the dilution of its ownership interests.

Blackstone holds variable interests in certain VIEs which are not consolidated as it is determined that Blackstone is not the primary beneficiary. Blackstone's involvement with such entities is in the form of direct and indirect equity interests and fee arrangements. The maximum exposure to loss represents the loss of assets recognized by Blackstone relating to non-consolidated VIEs and any clawback obligation relating to previously distributed Performance Allocations. Blackstone's maximum exposure to loss relating to non-consolidated VIEs were as follows:

	September 30, 2021	December 31, 2020
Investments	$ 2,659,578	$ 1,307,292
Due from Affiliates	172,741	262,815
Potential Clawback Obligation	44,045	38,679
Maximum Exposure to Loss	$ 2,876,364	$ 1,608,786
Amounts Due to Non-Consolidated VIEs	$ 157	$ 241

10. Repurchase Agreements

At September 30, 2021 and December 31, 2020, Blackstone pledged securities with a carrying value of $50.5 million and $110.8 million, respectively, and cash to collateralize its repurchase agreements. Such securities can be repledged, delivered or otherwise used by the counterparty.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following tables provide information regarding Blackstone's Repurchase Agreements obligation by type of collateral pledged:

	September 30, 2021				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 Days	30 - 90 Days	Greater than 90 days	Total
Repurchase Agreements					
Asset-Backed Securities	$ —	$ —	$36,545	$ —	$36,545
Gross Amount of Recognized Liabilities for Repurchase Agreements in Note 11. "Offsetting of Assets and Liabilities"					$36,545
Amounts Related to Agreements Not Included in Offsetting Disclosure in Note 11. "Offsetting of Assets and Liabilities"					$ —

	December 31, 2020				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 Days	30 - 90 Days	Greater than 90 days	Total
Repurchase Agreements					
Asset-Backed Securities	$ —	$15,345	$32,759	$28,704	$76,808
Gross Amount of Recognized Liabilities for Repurchase Agreements in Note 11. "Offsetting of Assets and Liabilities"					$76,808
Amounts Related to Agreements Not Included in Offsetting Disclosure in Note 11. "Offsetting of Assets and Liabilities"					$ —

11. Offsetting of Assets and Liabilities

The following tables present the offsetting of assets and liabilities as of September 30, 2021 and December 31, 2020:

	September 30, 2021			
	Gross and Net Amounts of Assets Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments (a)	Cash Collateral Received	
Assets				
Freestanding Derivatives	$ 83,194	$ 73,804	$ 45	$ 9,345

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	September 30, 2021			
	Gross and Net Amounts of Liabilities Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments (a)	Cash Collateral Pledged	
Liabilities				
Freestanding Derivatives	$ 91,097	$ 79,415	$ 7,769	$ 3,913
Repurchase Agreements	36,545	36,545	—	—
	$ 127,642	$ 115,960	$ 7,769	$ 3,913

	December 31, 2020			
	Gross and Net Amounts of Assets Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments (a)	Cash Collateral Received	
Assets				
Freestanding Derivatives	$ 126,564	$ 114,673	$ 53	$ 11,838

	December 31, 2020			
	Gross and Net Amounts of Liabilities Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		Net Amount
		Financial Instruments (a)	Cash Collateral Pledged	
Liabilities				
Freestanding Derivatives	$ 202,188	$ 174,623	$ 19,194	$ 8,371
Repurchase Agreements	76,808	76,808	—	—
	$ 278,996	$ 251,431	$ 19,194	$ 8,371

(a) Amounts presented are inclusive of both legally enforceable master netting agreements, and financial instruments received or pledged as collateral. Financial instruments received or pledged as collateral offset derivative counterparty risk exposure, but do not reduce net balance sheet exposure.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Repurchase Agreements are presented separately on the Condensed Consolidated Statements of Financial Condition. Freestanding Derivative assets are included in Other Assets in the Condensed Consolidated Statements of Financial Condition. The following table presents the components of Other Assets:

	September 30, 2021	December 31, 2020
Furniture, Equipment and Leasehold Improvements, Net	$ 239,117	$ 231,807
Prepaid Expenses	203,123	105,248
Freestanding Derivatives	82,016	126,022
Other	14,311	17,945
	$ 538,567	$ 481,022

Freestanding Derivative liabilities are included in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition and are not a significant component thereof.

Notional Pooling Arrangement

Blackstone has a notional cash pooling arrangement with a financial institution for cash management purposes. This arrangement allows for cash withdrawals based upon aggregate cash balances on deposit at the same financial institution. Cash withdrawals cannot exceed aggregate cash balances on deposit. The net balance of cash on deposit and overdrafts is used as a basis for calculating net interest expense or income. As of September 30, 2021, the aggregate cash balance on deposit relating to the cash pooling arrangement was $976.4 million, which was offset with an accompanying overdraft of $976.3 million.

12. Borrowings

On August 5, 2021, Blackstone, through its indirect subsidiary Blackstone Holdings Finance Co. L.L.C. (the “Issuer”), issued $650 million aggregate principal amount of senior notes due August 5, 2028 (the “2028 Notes”), $800 million aggregate principal amount of senior notes due January 30, 2032 (the “2032 Notes”) and $550 million aggregate principal amount of senior notes due August 5, 2051 (the “2051 Notes”). The 2028 Notes have an interest rate of 1.625% per annum, the 2032 Notes have an interest rate of 2.000% per annum and the 2051 Notes have an interest rate of 2.850% per annum, in each case accruing from August 5, 2021. Interest on the 2028 Notes and the 2051 Notes is payable semi-annually in arrears on February 5 and August 5 of each year commencing on February 5, 2022. Interest on the 2032 Notes is payable semi-annually in arrears on January 30 and July 30 of each year commencing on January 30, 2022.

All of Blackstone’s outstanding senior notes, including the 2028 Notes, 2032 Notes and 2051 Notes are unsecured and unsubordinated obligations of the Issuer that are fully and unconditionally guaranteed by Blackstone Inc. and its indirect subsidiaries, Blackstone Holdings I L.P., Blackstone Holdings AI L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P. (the “Guarantors”). The guarantees are unsecured and unsubordinated obligations of the Guarantors. Transaction costs related to the issuance of the 2028 Notes, 2032 Notes and 2051 Notes have been capitalized and will be amortized over the life of the 2028 Notes, 2032 Notes and 2051 Notes.

The following table presents the general characteristics of each of Blackstone’s outstanding notes as of September 30, 2021 and December 31, 2020, as well as their carrying value and fair value. The notes are included in Loans Payable within the Condensed Consolidated Statements of Financial Condition. All of the notes were issued at a discount. All of the notes accrue interest from the issue date thereof and all pay interest in arrears on a semi-annual basis or annual basis.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	September 30, 2021		December 31, 2020	
Senior Notes	**Carrying Value**	**Fair Value (a)**	**Carrying Value**	**Fair Value (a)**
4.750%, Due 2/15/2023	$ 398,276	$ 422,920	$ 397,385	$ 434,400
2.000%, Due 5/19/2025	376,543	373,281	362,947	398,620
1.000%, Due 10/5/2026	696,508	720,646	724,646	770,707
3.150%, Due 10/2/2027	297,649	323,520	297,387	332,370
1.625%, Due 8/5/2028	643,188	635,440	—	—
1.500%, Due 4/10/2029	649,836	743,089	728,054	805,744
2.500%, Due 1/10/2030	491,431	512,600	490,745	538,200
1.600%, Due 3/30/2031	495,430	471,650	495,100	497,950
2.000%, Due 1/30/2032	786,536	770,400	—	—
6.250%, Due 8/15/2042	238,851	366,000	238,668	372,250
5.000%, Due 6/15/2044	489,383	661,000	489,201	684,800
4.450%, Due 7/15/2045	344,379	431,340	344,282	449,645
4.000%, Due 10/2/2047	290,680	348,120	290,533	364,590
3.500%, Due 9/10/2049	392,048	431,280	391,925	460,120
2.800%, Due 9/30/2050	393,783	381,880	393,681	406,280
2.850%, Due 8/5/2051	542,955	527,890	—	—
	$7,527,476	$8,121,056	$5,644,554	$6,515,676

(a) Fair value is determined by broker quote and these notes would be classified as Level II within the fair value hierarchy.

Scheduled principal payments for borrowings as of September 30, 2021 were as follows:

	Operating Borrowings	Blackstone Fund Facilities	Total Borrowings
2021	$ —	$ 100	$ 100
2022	—	—	—
2023	400,000	—	400,000
2024	—	—	—
2025	347,400	—	347,400
Thereafter	6,889,600	—	6,889,600
	$ 7,637,000	$ 100	$ 7,637,100

13. Income Taxes

Prior to the Conversion, Blackstone and certain of its subsidiaries operated in the U.S. as partnerships for income tax purposes (partnerships generally are not subject to federal income taxes) and generally as corporate entities in non-U.S. jurisdictions. Subsequent to the Conversion, all income attributable to Blackstone is subject to U.S. corporate income taxes.

The Conversion resulted in a step-up in the tax basis of certain assets that will be recovered as those assets are sold or the basis is amortized.

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Blackstone was a cash taxpayer for the three and nine months ended September 30, 2021. Blackstone's effective tax rate was 12.5% and 5.6% for the three months ended September 30, 2021 and 2020, respectively, and 7.3% and 16.7% for the nine months ended September 30, 2021 and 2020, respectively. Blackstone's income tax provision was $458.9 million and $101.0 million for the three months ended September 30, 2021 and 2020, respectively, and $746.7 million and $89.7 million for the nine months ended September 30, 2021 and 2020, respectively. For the three months ended September 30, 2021, the effective tax rate differs from the statutory rate primarily due to a portion of the reported net income (loss) before taxes is attributable to non-controlling interest holders. For the nine months ended September 30, 2021, the effective tax rate differs from the statutory rate primarily due to: (a) a portion of the reported net income (loss) before taxes is attributable to non-controlling interest holders and (b) the net change to the valuation allowance related to the step-up in the tax basis of investment tax assets. For the three and nine months ended September 30, 2020, the effective tax rate differs from the statutory rate primarily due to: (a) a portion of the reported net income (loss) before taxes is attributable to non-controlling interest holders and (b) the net change to the valuation allowance related to the step-up in the tax basis of investment tax assets.

14. Earnings Per Share and Stockholders' Equity

Earnings Per Share

Basic and diluted net income per share of common stock for the three and nine months ended September 30, 2021 and 2020 was calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net Income for Per Share of Common Stock Calculations				
Net Income Attributable to Blackstone Inc., Basic and Diluted	$ 1,401,895	$ 794,719	$ 4,458,919	$ 296,493
Shares/Units Outstanding				
Weighted-Average Shares of Common Stock Outstanding, Basic	722,229,117	700,184,580	717,516,302	695,049,997
Weighted-Average Shares of Unvested Deferred Restricted Common Stock	203,982	343,386	402,113	287,578
Weighted-Average Shares of Common Stock Outstanding, Diluted	722,433,099	700,527,966	717,918,415	695,337,575
Net Income Per Share of Common Stock				
Basic	$ 1.94	$ 1.14	$ 6.21	$ 0.43
Diluted	$ 1.94	$ 1.13	$ 6.21	$ 0.43
Dividends Declared Per Share of Common Stock (a)	$ 0.70	$ 0.37	$ 2.48	$ 1.37

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

In computing the dilutive effect that the exchange of Blackstone Holdings Partnership Units would have on Net Income Per Share of Common Stock, Blackstone considered that net income available to holders of shares of common stock would increase due to the elimination of non-controlling interests in Blackstone Holdings, inclusive of any tax impact. The hypothetical conversion may be dilutive to the extent there is activity at Blackstone Inc. level that has not previously been attributed to the non-controlling interests or if there is a change in tax rate as a result of a hypothetical conversion.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following table summarizes the anti-dilutive securities for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Weighted-Average Blackstone Holdings Partnership Units	484,991,263	501,898,454	488,880,363	506,274,987

Stockholders' Equity

In connection with the Conversion, effective July 1, 2019, each common unit of the Partnership outstanding immediately prior to the Conversion converted into one issued and outstanding, fully paid and nonassessable share of Class A common stock, $0.00001 par value per share, of the Company. The special voting unit of the Partnership outstanding immediately prior to the Conversion converted into one issued and outstanding, fully paid and nonassessable share of Class B common stock, $0.00001 par value per share, of the Company. The general partner units of the Partnership outstanding immediately prior to the Conversion converted into one issued and outstanding, fully paid and nonassessable share of Class C common stock, $0.00001 par value per share, of the Company.

In connection with the share reclassification, effective February 26, 2021, the Certificate of Incorporation of Blackstone was amended and restated to: (a) rename the Class A common stock as "common stock," which has the same rights and powers (including, without limitation, with respect to voting) that Blackstone's Class A common stock formerly had, (b) reclassify the "Class B common stock" into a new "Series I preferred stock," which has the same rights and powers that the Class B common stock formerly had, and (c) reclassify the Class C common stock into a new "Series II preferred stock," which has the same rights and powers that the Class C common stock formerly had. In connection with such share reclassification, the Company authorized 10 billion shares of preferred stock with a par value of $0.00001, of which (a) 999,999,000 shares are designated as Series I preferred stock and (b) 1,000 shares are designated as Series II preferred stock. The remaining 9 billion shares may be designated from time to time in accordance with Blackstone's certificate of incorporation. There was 1 share of Series I preferred stock and 1 share of Series II preferred stock issued and outstanding as of September 30, 2021.

Under Blackstone's certificate of incorporation and Delaware law, holders of Blackstone's common stock are entitled to vote, together with holders of Blackstone's Series I preferred stock, voting as a single class, on a number of significant matters, including certain sales, exchanges or other dispositions of all or substantially all of Blackstone's assets, a merger, consolidation or other business combination, the removal of the Series II Preferred Stockholder and forced transfer by the Series II Preferred Stockholder of its shares of Series II preferred stock and the designation of a successor Series II Preferred Stockholder. The Series II Preferred Stockholder elects the Company's directors. Holders of Blackstone's Series I preferred stock and Series II preferred stock are not entitled to dividends from the Company, or receipt of any of the Company's assets in the event of any dissolution, liquidation or winding up. Blackstone Partners L.L.C. is the sole holder of the Series I preferred stock and Blackstone Group Management L.L.C. is the sole holder of the Series II preferred stock.

Share Repurchase Program

On May 6, 2021, Blackstone's board of directors authorized the repurchase of up to $1.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

During the three and nine months ended September 30, 2021, Blackstone repurchased 2.9 million and 6.0 million shares of common stock at a total cost of $355.9 million and $644.9 million, respectively. During the three and nine months ended September 30, 2020, Blackstone repurchased 2.0 million and 9.0 million shares, respectively, of common stock at a total cost of $105.6 million and $474.0 million, respectively. As of September 30, 2021, the amount remaining available for repurchases under the repurchase program was $402.6 million.

Shares Eligible for Dividends and Distributions

As of September 30, 2021, the total shares of common stock and Blackstone Holdings Partnership Units entitled to participate in dividends and distributions were as follows:

	Shares/Units
Common Stock Outstanding	693,612,698
Unvested Participating Common Stock	27,756,700
Total Participating Common Stock	721,369,398
Participating Blackstone Holdings Partnership Units	483,553,949
	1,204,923,347

15. Equity-Based Compensation

Blackstone has granted equity-based compensation awards to Blackstone's senior managing directors, non-partner professionals, non-professionals and selected external advisers under Blackstone's Amended and Restated 2007 Equity Incentive Plan (the "Equity Plan"). The Equity Plan allows for the granting of options, share appreciation rights or other share-based awards (shares, restricted shares, restricted shares of common stock, deferred restricted shares of common stock, phantom restricted shares of common stock or other share-based awards based in whole or in part on the fair value of shares of common stock or Blackstone Holdings Partnership Units) which may contain certain service or performance requirements. As of January 1, 2021, Blackstone had the ability to grant 171,130,080 shares under the Equity Plan.

For the three and nine months ended September 30, 2021, Blackstone recorded compensation expense of $148.7 million and $454.1 million, respectively, in relation to its equity-based awards with corresponding tax benefits of $19.4 million and $60.1 million, respectively. For the three and nine months ended September 30, 2020, Blackstone recorded compensation expense of 110.8 million and $349.5 million, respectively, in relation to its equity-based awards with corresponding tax benefits of $12.5 million and $40.9 million, respectively.

As of September 30, 2021, there was $1.4 billion of estimated unrecognized compensation expense related to unvested awards. This cost is expected to be recognized over a weighted-average period of 3.5 years.

Total vested and unvested outstanding shares, including common stock, Blackstone Holdings Partnership Units and deferred restricted shares of common stock, were 1,205,088,544 as of September 30, 2021. Total outstanding phantom shares were 83,032 as of September 30, 2021.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

A summary of the status of Blackstone's unvested equity-based awards as of September 30, 2021 and of changes during the period January 1, 2021 through September 30, 2021 is presented below:

	Blackstone Holdings		Blackstone Inc.			
			Equity Settled Awards		Cash Settled Awards	
Unvested Shares/Units	**Partnership Units**	**Weighted-Average Grant Date Fair Value**	**Deferred Restricted Shares of Common Stock**	**Weighted-Average Grant Date Fair Value**	**Phantom Shares**	**Weighted-Average Grant Date Fair Value**
Balance, December 31, 2020	23,771,136	$ 36.33	19,512,034	$ 42.60	65,284	$ 60.42
Granted	—	—	12,564,765	74.26	22,841	91.07
Vested	(4,015,497)	33.44	(4,645,664)	42.91	(13,655)	122.42
Forfeited	(684,072)	40.40	(650,753)	49.25	(526)	127.52
Balance, September 30, 2021	19,071,567	$ 37.11	26,780,382	$ 57.25	73,944	$ 127.52

Shares/Units Expected to Vest

The following unvested shares and units, after expected forfeitures, as of September 30, 2021, are expected to vest:

	Shares/Units	**Weighted-Average Service Period in Years**
Blackstone Holdings Partnership Units	17,095,569	2.2
Deferred Restricted Shares of Common Stock	22,608,020	3.5
Total Equity-Based Awards	39,703,589	2.9
Phantom Shares	54,966	3.3

16. Related Party Transactions

Affiliate Receivables and Payables

Due from Affiliates and Due to Affiliates consisted of the following:

	September 30, 2021	**December 31, 2020**
Due from Affiliates		
Management Fees, Performance Revenues, Reimbursable Expenses and Other Receivables from Non-Consolidated Entities and Portfolio Companies	$ 2,953,930	$ 2,637,055
Due from Certain Non-Controlling Interest Holders and Blackstone Employees	727,736	548,897
Accrual for Potential Clawback of Previously Distributed Performance Allocations	36,453	35,563
	$ 3,718,119	$ 3,221,515

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	September 30, 2021	December 31, 2020
Due to Affiliates		
Due to Certain Non-Controlling Interest Holders in Connection with the Tax Receivable Agreements	$ 1,090,164	$ 857,523
Due to Non-Consolidated Entities	177,507	107,410
Due to Certain Non-Controlling Interest Holders and Blackstone Employees	73,120	61,539
Accrual for Potential Repayment of Previously Received Performance Allocations	85,418	108,569
	$ 1,426,209	$ 1,135,041

Interests of the Founder, Senior Managing Directors, Employees and Other Related Parties

The Founder, senior managing directors, employees and certain other related parties invest on a discretionary basis in the consolidated Blackstone Funds both directly and through consolidated entities. These investments generally are subject to preferential management fee and performance allocation or incentive fee arrangements. As of September 30, 2021 and December 31, 2020, such investments aggregated $1.6 billion and $1.1 billion, respectively. Their share of the Net Income (Loss) Attributable to Redeemable Non-Controlling and Non-Controlling Interests in Consolidated Entities aggregated to $137.7 million and $94.5 million for the three months ended September 30, 2021 and 2020, respectively, and $371.3 million and $(19.8) million for the nine months ended September 30, 2021 and 2020, respectively.

Loans to Affiliates

Loans to affiliates consist of interest bearing advances to certain Blackstone individuals to finance their investments in certain Blackstone Funds. These loans earn interest at Blackstone's cost of borrowing and such interest totaled $1.0 million and $0.7 million for the three months ended September 30, 2021 and 2020, respectively, and $4.2 million and $4.7 million for the nine months ended September 30, 2021 and 2020, respectively.

Contingent Repayment Guarantee

Blackstone and its personnel who have received Performance Allocation distributions have guaranteed payment on a several basis (subject to a cap) to the carry funds of any clawback obligation with respect to the excess Performance Allocation allocated to the general partners of such funds and indirectly received thereby to the extent that either Blackstone or its personnel fails to fulfill its clawback obligation, if any. The Accrual for Potential Repayment of Previously Received Performance Allocations represents amounts previously paid to Blackstone Holdings and non-controlling interest holders that would need to be repaid to the Blackstone Funds if the carry funds were to be liquidated based on the fair value of their underlying investments as of September 30, 2021. See Note 17. "Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)."

Aircraft and Other Services

In the normal course of business, Blackstone makes use of aircraft owned by Stephen A. Schwarzman; aircraft owned by Jonathan D. Gray; and aircraft owned jointly by Joseph P. Baratta and two other individuals (each such aircraft, "Personal Aircraft"). Each of Messrs. Schwarzman, Gray and Baratta paid for his respective ownership interest in his Personal Aircraft himself and bears his respective share of all operating, personnel and maintenance costs associated with the operation of such Personal Aircraft. The payments Blackstone makes for the use of the Personal Aircraft are based on current market rates.

In addition, on occasion, certain of Blackstone's executive officers and employee directors and their families may make personal use of aircraft in which Blackstone owns a fractional interest, as well as other assets of Blackstone. Any such personal use of Blackstone assets is charged to the executive officer or employee director based on market rates and usage. Personal use of Blackstone resources is also reimbursed to Blackstone based on market rates.

The transactions described herein are not material to the Condensed Consolidated Financial Statements.

Tax Receivable Agreements

Blackstone used a portion of the proceeds from the IPO and other sales of shares to purchase interests in the predecessor businesses from the predecessor owners. In addition, holders of Blackstone Holdings Partnership Units may exchange their Blackstone Holdings Partnership Units for shares of Blackstone common stock on a one-for-one basis. The purchase and subsequent exchanges are expected to result in increases in the tax basis of the tangible and intangible assets of Blackstone Holdings and therefore reduce the amount of tax that Blackstone would otherwise be required to pay in the future.

Blackstone has entered into tax receivable agreements with each of the predecessor owners and additional tax receivable agreements have been executed, and will continue to be executed, with newly-admitted senior managing directors and others who acquire Blackstone Holdings Partnership Units. The agreements provide for the payment by the corporate taxpayer to such owners of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the corporate taxpayers actually realize as a result of the aforementioned increases in tax basis and of certain other tax benefits related to entering into these tax receivable agreements. For purposes of the tax receivable agreements, cash savings in income tax will be computed by comparing the actual income tax liability of the corporate taxpayers to the amount of such taxes that the corporate taxpayers would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of Blackstone Holdings as a result of the exchanges and had the corporate taxpayers not entered into the tax receivable agreements.

Assuming no future material changes in the relevant tax law and that the corporate taxpayers earn sufficient taxable income to realize the full tax benefit of the increased amortization of the assets, the expected future payments under the tax receivable agreements (which are taxable to the recipients) will aggregate $1.1 billion over the next 15 years. The after-tax net present value of these estimated payments totals $312.2 million assuming a 15% discount rate and using Blackstone's most recent projections relating to the estimated timing of the benefit to be received. Future payments under the tax receivable agreements in respect of subsequent exchanges would be in addition to these amounts. The payments under the tax receivable agreements are not conditioned upon continued ownership of Blackstone equity interests by the pre-IPO owners and the others mentioned above.

Amounts related to the deferred tax asset resulting from the increase in tax basis from the exchange of Blackstone Holdings Partnership Units to shares of Blackstone common stock, the resulting remeasurement of net deferred tax assets at the Blackstone ownership percentage at the balance sheet date, the due to affiliates for the future payments resulting from the tax receivable agreements and resulting adjustment to partners' capital are included as Acquisition of Ownership Interests from Non-Controlling Interest Holders in the Supplemental Disclosure of Non-Cash Investing and Financing Activities in the Condensed Consolidated Statements of Cash Flows.

Other

Blackstone does business with and on behalf of some of its Portfolio Companies; all such arrangements are on a negotiated basis.

Additionally, please see Note 17. "Commitments and Contingencies — Contingencies — Guarantees" for information regarding guarantees provided to a lending institution for certain loans held by employees.

17. Commitments and Contingencies

Commitments

Investment Commitments

Blackstone had $3.8 billion of investment commitments as of September 30, 2021 representing general partner capital funding commitments to the Blackstone Funds, limited partner capital funding to other funds and Blackstone principal investment commitments, including loan commitments. The consolidated Blackstone Funds had signed investment commitments of $299.6 million as of September 30, 2021, which includes $181.4 million of signed investment commitments for portfolio company acquisitions in the process of closing.

Contingencies

Guarantees

Certain of Blackstone's consolidated real estate funds guarantee payments to third parties in connection with the ongoing business activities and/or acquisitions of their Portfolio Companies. There is no direct recourse to Blackstone to fulfill such obligations. To the extent that underlying funds are required to fulfill guarantee obligations, Blackstone's invested capital in such funds is at risk. Total investments at risk in respect of guarantees extended by consolidated real estate funds was $15.1 million as of September 30, 2021.

The Blackstone Holdings Partnerships provided guarantees to a lending institution for certain loans held by employees either for investment in Blackstone Funds or for members' capital contributions to The Blackstone Group International Partners LLP. The amount guaranteed as of September 30, 2021 was $238.7 million.

Litigation

Blackstone may from time to time be involved in litigation and claims incidental to the conduct of its business. Blackstone's businesses are also subject to extensive regulation, which may result in regulatory proceedings against Blackstone.

Blackstone accrues a liability for legal proceedings only when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. Although there can be no assurance of the outcome of such legal actions, based on information known by management, Blackstone does not have a potential liability related to any current legal proceeding or claim that would individually or in the aggregate materially affect its results of operations, financial position or cash flows.

Blackstone continues to believe that the following suits against Blackstone are totally without merit and intends to defend them vigorously.

In December 2017, a purported derivative suit (Mayberry v. KKR & Co., L.P., et al., or "Mayberry Action") was filed in the Commonwealth of Kentucky Franklin County Circuit Court on behalf of the Kentucky Retirement System ("KRS") by eight of its members and beneficiaries (the "Mayberry Plaintiffs") alleging various breaches of fiduciary duty and other violations of Kentucky state law in connection with KRS's investment in three hedge funds of funds, including a fund managed by Blackstone Alternative Asset Management L.P. ("BLP"). The suit named more than 30 defendants, including, among others, The Blackstone Group L.P.; BLP; Stephen A. Schwarzman, as Chairman and CEO of Blackstone; and J. Tomilson Hill, as then-CEO of BLP (collectively, the "Blackstone Defendants"), as well as entities and individuals that provided services to or were affiliated with KRS.

In November 2018, the Circuit Court granted one defendant's motion to dismiss and denied all other defendants' (including the Blackstone Defendants') motions to dismiss. In January 2019, certain defendants, including the Blackstone Defendants, filed petitions in the Kentucky Court of Appeals for a writ of prohibition against the Mayberry proceedings on the ground that the Mayberry Plaintiffs lack standing.

In April 2019, the Kentucky Court of Appeals granted the Blackstone Defendants' petition for a writ of prohibition and vacated the Circuit Court's November 2018 denial of a motion to dismiss. The Mayberry Plaintiffs appealed that order to the Kentucky Supreme Court.

In July 2020, the Kentucky Supreme Court unanimously held that the Mayberry Plaintiffs lack constitutional standing to bring their claims and remanded the case to the Circuit Court with direction to dismiss the complaint. The Kentucky Attorney General (the "AG") subsequently filed a motion to intervene and a proposed intervening complaint in the Mayberry Action on behalf of the Commonwealth of Kentucky. The Blackstone Defendants filed an objection to that motion. The AG subsequently filed a separate action in Franklin County Circuit Court that is nearly identical to the proposed intervening complaint.

In addition, in July 2020, certain of the Mayberry Plaintiffs filed a motion for leave to amend their complaint. In December 2020, the Circuit Court dismissed the Mayberry Plaintiffs' complaint for lack of standing, denied the Mayberry Plaintiffs' motion for leave to amend, and granted the AG's motion to intervene. The action was recaptioned as Commonwealth of Kentucky v. KKR & Co. L.P., et al. In May 2021, the AG filed its first amended complaint, which generally asserts the same allegations and claims as the AG's proposed intervening complaint and the Mayberry Plaintiffs' original complaint. The Blackstone Defendants filed a motion to dismiss the first amended complaint and briefing on this motion was completed on October 29, 2021.

In December 2020, three potentially new derivative plaintiffs brought a motion in the Circuit Court for leave to file a third amended complaint alleging that they had standing. They also filed a motion to intervene in February 2021. The Circuit Court denied both motions.

On August 31, 2021, the Mayberry Plaintiffs and a KRS beneficiary who had not previously been involved in the suit filed another motion to intervene. The Circuit Court denied this motion. On October 19, 2021, the various purported derivative plaintiffs who had been denied a role in the AG's litigation appealed the Circuit Court's orders denying their motions to intervene and for leave to file amended complaints. On November 1, 2021, the Blackstone Defendants filed a cross-appeal of those orders.

In January 2021, certain derivative plaintiffs who had previously attempted to intervene in the AG's action filed a separate derivative action (Taylor et al. v. KKR & Co., L.P. et al. or "Taylor I") in Franklin County Circuit Court that is substantially the same as the amended complaint they had sought to file in the AG's action. In July 2021, these plaintiffs filed their first amended complaint, which is styled as a purported "class" complaint brought on behalf of certain KRS beneficiaries. The Blackstone Defendants and other defendants removed this purported class action to federal court in the United States District Court for the Eastern District of Kentucky and the plaintiffs moved to remand back to state court. Briefing on that motion was completed on September 7, 2021.

On August 19, 2021, certain KRS beneficiaries (including the derivative plaintiffs whose action was removed to federal court) filed a separate action (Taylor et al. v. KKR & Co., L.P. et al. or "Taylor II") in Franklin County Circuit Court in their capacity as beneficiaries, allegedly suing for the benefit of the pension and insurance trust funds administered by KRS. The Taylor II complaint named the same defendants who were sued in Taylor I, as well as additional current and former KRS officers and trustees. No deadline for responding to the complaint has yet been set.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

In April 2021, the AG filed a declaratory judgment action (Commonwealth of Kentucky v. KKR & Co. Inc. or "Declaratory Judgment Action") in Franklin County Circuit Court on behalf of the Commonwealth of Kentucky. The AG's complaint alleges that certain provisions in the subscription agreements between KRS and the managers of the three funds at issue in the Mayberry Action violate the Kentucky Constitution. The suit names as defendants BLP, Blackstone Inc., and others named in the Mayberry Action. On August 23, 2021, the AG filed an amended complaint that no longer stated claims against Blackstone Inc., but added claims against a BLP affiliate and a BLP-managed fund. The parties filed a stipulation dismissing with prejudice claims against these two entities, and withdrawing a separate newly added claim. The AG moved for summary judgment, and the defendants—including BLP—filed motions to dismiss. Briefing on these motions was completed on October 14, 2021.

In July 2021, BLP filed a complaint in the Franklin County Circuit Court (Blackstone Alternative Asset Management L.P. v. Kentucky Public Pensions Authority et al. or "the Breach of Contract Action") asserting claims for breach of contract against Kentucky Public Pensions Authority, Board of Trustees of KRS, Board of Trustees of the County Employees Retirement System ("CERS"), KRS Insurance Fund, and KRS Pension Fund. The complaint alleges that KRS's support and prosecution of the Mayberry Action and the Declaratory Judgment Action breaches the parties' subscription agreements governing KRS's investment with BLP and seeks damages flowing from that breach, including legal fees and expenses incurred in defending against the above actions. The KRS defendants and CERS filed motions to dismiss BLP's complaint. Briefing on these motions was completed on October 22, 2021.

Contingent Obligations (Clawback)

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceeds the amount due to Blackstone based on cumulative results of that fund. The actual clawback liability, however, generally does not become realized until the end of a fund's life except for certain Blackstone real estate funds, multi-asset class investment funds and credit-focused funds, which may have an interim clawback liability. The lives of the carry funds, including available contemplated extensions, for which a liability for potential clawback obligations has been recorded for financial reporting purposes, are currently anticipated to expire at various points through 2028. Further extensions of such terms may be implemented under given circumstances.

For financial reporting purposes, when applicable, the general partners record a liability for potential clawback obligations to the limited partners of some of the carry funds due to changes in the unrealized value of a fund's remaining investments and where the fund's general partner has previously received Performance Allocation distributions with respect to such fund's realized investments.

The following table presents the clawback obligations by segment:

	September 30, 2021			December 31, 2020		
Segment	Blackstone Holdings	Current and Former Personnel (a)	Total (b)	Blackstone Holdings	Current and Former Personnel (a)	Total (b)
Real Estate	$ 29,896	$ 18,113	$ 48,009	$ 28,283	$ 17,102	$ 45,385
Private Equity	5,213	2,337	7,550	41,722	(8,623)	33,099
Credit & Insurance	13,856	16,003	29,859	13,935	16,150	30,085
	$ 48,965	$ 36,453	$ 85,418	$ 83,940	$ 24,629	$ 108,569

(a) The split of clawback between Blackstone Holdings and Current and Former Personnel is based on the performance of individual investments held by a fund rather than on a fund by fund basis.

(b) Total is a component of Due to Affiliates. See Note 16. "Related Party Transactions — Affiliate Receivables and Payables — Due to Affiliates."

For Private Equity, Real Estate, and certain Credit & Insurance Funds, a portion of the Performance Allocations paid to current and former Blackstone personnel is held in segregated accounts in the event of a cash clawback obligation. These segregated accounts are not included in the Condensed Consolidated Financial Statements of Blackstone, except to the extent a portion of the assets held in the segregated accounts may be allocated to a consolidated Blackstone fund of hedge funds. At September 30, 2021, $917.3 million was held in segregated accounts for the purpose of meeting any clawback obligations of current and former personnel if such payments are required.

In the Credit & Insurance segment, payment of Performance Allocations to Blackstone by the majority of the stressed/distressed, mezzanine and credit alpha strategies funds are substantially deferred under the terms of the partnership agreements. This deferral mitigates the need to hold funds in segregated accounts in the event of a cash clawback obligation.

If, at September 30, 2021, all of the investments held by Blackstone's carry funds were deemed worthless, a possibility that management views as remote, the amount of Performance Allocations subject to potential clawback would be $4.8 billion, on an after-tax basis where applicable, of which Blackstone Holdings is potentially liable for $4.4 billion if current and former Blackstone personnel default on their share of the liability, a possibility that management also views as remote.

18. Segment Reporting

Blackstone transacts its primary business in the United States and substantially all of its revenues are generated domestically.

Blackstone conducts its alternative asset management businesses through four segments:

- Real Estate – Blackstone's Real Estate segment primarily comprises its management of global, Europe and Asia-focused opportunistic real estate funds, high-yield real estate debt funds, liquid real estate debt funds, North America, Europe, Asia and life science-focused Core+ real estate funds, which also include a non-listed REIT, and a NYSE-listed REIT.

- Private Equity – Blackstone's Private Equity segment includes its management of flagship corporate private equity funds, sector and geographically-focused corporate private equity funds, including energy and Asia-focused funds, core private equity funds, an opportunistic investment platform, a secondary fund of funds business, infrastructure-focused funds, a life sciences private investment platform, a growth equity investment platform, a multi-asset investment program for eligible high net worth investors and a capital markets services business.

- Hedge Fund Solutions – The largest component of Blackstone's Hedge Fund Solutions segment is Blackstone Alternative Asset Management, which manages a broad range of commingled and customized hedge fund of fund solutions. The segment also includes investment platforms that seed new hedge fund businesses, purchase minority interests in more established general partners and management companies of funds, invest in special situation opportunities, create alternative solutions through daily liquidity products and invest directly.

- Credit & Insurance – Blackstone's Credit & Insurance segment consists principally of Blackstone Credit, which is organized into two overarching strategies: private credit (which includes mezzanine lending funds, middle market direct lending funds, including Blackstone's business development companies, structured products group, stressed/distressed strategies and energy strategies) and liquid credit (which consists of CLOs, closed-ended funds, open-ended funds and separately managed accounts). In addition, the segment includes a publicly traded master limited partnership investment platform, Harvest, and Blackstone's insurer-focused platform, Blackstone Insurance Solutions.

These business segments are differentiated by their various investment strategies. The Real Estate, Private Equity, Hedge Fund Solutions and Credit & Insurance segments primarily earn their income from management fees and investment returns on assets under management.

Segment Distributable Earnings is Blackstone's segment profitability measure used to make operating decisions and assess performance across Blackstone's four segments. Segment Distributable Earnings represents the net realized earnings of Blackstone's segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone's segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships, removes the amortization of intangible assets and removes Transaction-Related Charges. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures and Blackstone's initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.

For segment reporting purposes, Segment Distributable Earnings is presented along with its major components, Fee Related Earnings and Net Realizations. Fee Related Earnings is used to assess Blackstone's ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. Net Realizations is the sum of Realized Principal Investment Income and Realized Performance Revenues less Realized Performance Compensation. Performance Allocations and Incentive Fees are presented together and referred to collectively as Performance Revenues or Performance Compensation.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

Segment Presentation

The following tables present the financial data for Blackstone's four segments for the three months ended September 30, 2021 and 2020:

	Three Months Ended September 30, 2021				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total Segments
Management and Advisory Fees, Net					
Base Management Fees	$ 485,308	$ 370,083	$ 154,884	$ 197,591	$ 1,207,866
Transaction, Advisory and Other Fees, Net	53,876	50,241	2,535	8,132	114,784
Management Fee Offsets	(446)	10	(255)	(1,884)	(2,575)
Total Management and Advisory Fees, Net	538,738	420,334	157,164	203,839	1,320,075
Fee Related Performance Revenues	35,625	—	—	37,688	73,313
Fee Related Compensation	(137,313)	(139,211)	(35,092)	(107,865)	(419,481)
Other Operating Expenses	(61,398)	(56,792)	(25,476)	(51,276)	(194,942)
Fee Related Earnings	375,652	224,331	96,596	82,386	778,965
Realized Performance Revenues	495,727	988,331	7,271	6,148	1,497,477
Realized Performance Compensation	(199,100)	(417,386)	(1,443)	(1,145)	(619,074)
Realized Principal Investment Income	42,677	77,570	14,943	15,820	151,010
Total Net Realizations	339,304	648,515	20,771	20,823	1,029,413
Total Segment Distributable Earnings	$ 714,956	$ 872,846	$ 117,367	$ 103,209	$ 1,808,378

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Three Months Ended September 30, 2020				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total Segments
Management and Advisory Fees, Net					
Base Management Fees	$ 392,785	$ 352,866	$ 146,082	$ 152,037	$ 1,043,770
Transaction, Advisory and Other Fees, Net	17,464	11,571	1,255	3,338	33,628
Management Fee Offsets	(1,039)	(16,264)	(22)	(2,233)	(19,558)
Total Management and Advisory Fees, Net	409,210	348,173	147,315	153,142	1,057,840
Fee Related Performance Revenues	55,327	—	—	9,623	64,950
Fee Related Compensation	(138,342)	(119,301)	(41,405)	(61,585)	(360,633)
Other Operating Expenses	(42,566)	(45,702)	(19,652)	(43,293)	(151,213)
Fee Related Earnings	283,629	183,170	86,258	57,887	610,944
Realized Performance Revenues	18,872	295,239	5,618	225	319,954
Realized Performance Compensation	(7,343)	(112,713)	(1,257)	(417)	(121,730)
Realized Principal Investment Income (Loss)	4,946	10,248	(150)	840	15,884
Total Net Realizations	16,475	192,774	4,211	648	214,108
Total Segment Distributable Earnings	$ 300,104	$ 375,944	$ 90,469	$ 58,535	$ 825,052

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

The following tables present the financial data for Blackstone's four segments as of September 30, 2021 and for the nine months ended September 30, 2021 and 2020:

	September 30, 2021 and the Nine Months Then Ended				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total Segments
Management and Advisory Fees, Net					
Base Management Fees	$ 1,366,158	$ 1,112,349	$ 460,661	$ 526,039	$ 3,465,207
Transaction, Advisory and Other Fees, Net	117,975	125,220	8,439	19,915	271,549
Management Fee Offsets	(2,562)	(17,510)	(516)	(5,146)	(25,734)
Total Management and Advisory Fees, Net	1,481,571	1,220,059	468,584	540,808	3,711,022
Fee Related Performance Revenues	224,793	—	—	66,577	291,370
Fee Related Compensation	(447,762)	(416,575)	(112,580)	(263,059)	(1,239,976)
Other Operating Expenses	(160,520)	(168,888)	(66,521)	(142,615)	(538,544)
Fee Related Earnings	1,098,082	634,596	289,483	201,711	2,223,872
Realized Performance Revenues	935,418	1,627,186	55,900	73,234	2,691,738
Realized Performance Compensation	(376,790)	(687,970)	(13,977)	(29,532)	(1,108,269)
Realized Principal Investment Income	171,626	220,769	52,618	67,285	512,298
Total Net Realizations	730,254	1,159,985	94,541	110,987	2,095,767
Total Segment Distributable Earnings	$ 1,828,336	$ 1,794,581	$ 384,024	$ 312,698	$ 4,319,639
Segment Assets	$ 14,186,289	$16,326,287	$ 2,678,251	$ 3,966,069	$37,156,896

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Nine Months Ended September 30, 2020				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total Segments
Management and Advisory Fees, Net					
Base Management Fees	$ 1,146,927	$ 874,910	$ 431,193	$ 442,930	$ 2,895,960
Transaction, Advisory and Other Fees, Net	72,527	42,505	2,872	14,681	132,585
Management Fee Offsets	(11,816)	(33,510)	(60)	(8,019)	(53,405)
Total Management and Advisory Fees, Net	1,207,638	883,905	434,005	449,592	2,975,140
Fee Related Performance Revenues	66,383	—	—	26,066	92,449
Fee Related Compensation	(375,278)	(322,494)	(127,949)	(188,080)	(1,013,801)
Other Operating Expenses	(127,567)	(131,530)	(56,126)	(118,458)	(433,681)
Fee Related Earnings	771,176	429,881	249,930	169,120	1,620,107
Realized Performance Revenues	96,801	471,828	8,867	11,868	589,364
Realized Performance Compensation	(33,282)	(192,372)	(2,202)	(2,963)	(230,819)
Realized Principal Investment Income Income (Loss)	13,819	38,011	(1,090)	4,372	55,112
Total Net Realizations	77,338	317,467	5,575	13,277	413,657
Total Segment Distributable Earnings	$ 848,514	$ 747,348	$ 255,505	$ 182,397	$ 2,033,764

Reconciliations of Total Segment Amounts

The following tables reconcile the Total Segment Revenues, Expenses and Distributable Earnings to their equivalent GAAP measure for the three and nine months ended September 30, 2021 and 2020 along with Total Assets as of September 30, 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenues				
Total GAAP Revenues	$ 6,224,265	$ 3,032,898	$ 16,814,491	$ 2,473,003
Less: Unrealized Performance Revenues (a)	(2,724,366)	(1,403,480)	(7,886,033)	982,043
Less: Unrealized Principal Investment (Income) Loss (b)	2,343	(177,125)	(526,249)	216,169
Less: Interest and Dividend Revenue (c)	(35,535)	(26,497)	(99,878)	(90,386)
Less: Other Revenue (d)	(64,109)	192,623	(152,252)	110,078
Impact of Consolidation (e)	(398,786)	(167,654)	(980,178)	11,865
Amortization of Intangibles (f)	—	387	—	1,161
Transaction-Related Charges (g)	36,797	6,084	33,186	3,944
Intersegment Eliminations	1,266	1,392	3,341	4,188
Total Segment Revenue (h)	$ 3,041,875	$ 1,458,628	$ 7,206,428	$ 3,712,065

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Expenses				
Total GAAP Expenses	$ 2,654,359	$ 1,332,846	$ 6,978,136	$ 1,867,452
Less: Unrealized Performance Allocations Compensation (i)	(1,193,853)	(509,474)	(3,394,041)	433,091
Less: Equity-Based Compensation (j)	(129,254)	(89,862)	(394,948)	(266,675)
Less: Interest Expense (k)	(51,773)	(39,228)	(140,245)	(119,692)
Impact of Consolidation (e)	(5,320)	(2,084)	(17,067)	(22,563)
Amortization of Intangibles (f)	(17,044)	(16,096)	(51,212)	(48,288)
Transaction-Related Charges (g)	(22,396)	(41,199)	(89,428)	(166,493)
Administrative Fee Adjustment (l)	(2,488)	(2,719)	(7,747)	(2,719)
Intersegment Eliminations	1,266	1,392	3,341	4,188
Total Segment Expenses (m)	$ 1,233,497	$ 633,576	$ 2,886,789	$ 1,678,301

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Other Income				
Total GAAP Other Income	$ 94,991	$ 101,059	$ 344,978	$ (68,537)
Impact of Consolidation (e)	(94,991)	(101,059)	(344,978)	68,537
Total Segment Other Income	$ —	$ —	$ —	$ —

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Income Before Provision for Taxes				
Total GAAP Income Before Provision for Taxes	$ 3,664,897	$ 1,801,111	$ 10,181,333	$ 537,014
Less: Unrealized Performance Revenues (a)	(2,724,366)	(1,403,480)	(7,886,033)	982,043
Less: Unrealized Principal Investment (Income) Loss (b)	2,343	(177,125)	(526,249)	216,169
Less: Interest and Dividend Revenue (c)	(35,535)	(26,497)	(99,878)	(90,386)
Less: Other Revenue (d)	(64,109)	192,623	(152,252)	110,078
Plus: Unrealized Performance Allocations Compensation (i)	1,193,853	509,474	3,394,041	(433,091)
Plus: Equity-Based Compensation (j)	129,254	89,862	394,948	266,675
Plus: Interest Expense (k)	51,773	39,228	140,245	119,692
Impact of Consolidation (e)	(488,457)	(266,629)	(1,308,089)	102,965
Amortization of Intangibles (f)	17,044	16,483	51,212	49,449
Transaction-Related Charges (g)	59,193	47,283	122,614	170,437
Administrative Fee Adjustment (l)	2,488	2,719	7,747	2,719
Total Segment Distributable Earnings	$ 1,808,378	$ 825,052	$ 4,319,639	$ 2,033,764

	As of September 30, 2021
Total Assets	
Total GAAP Assets	$ 39,038,092
Impact of Consolidation (e)	(1,881,196)
Total Segment Assets	$ 37,156,896

Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles and Transaction-Related Charges.

(a) This adjustment removes Unrealized Performance Revenues on a segment basis.

(b) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis.

(c) This adjustment removes Interest and Dividend Revenue on a segment basis.

(d) This adjustment removes Other Revenue on a segment basis. For the three months ended September 30, 2021 and 2020, Other Revenue on a GAAP basis was $64.2 million and $(192.2) million, and included $63.5 million and $(193.5) million of foreign exchange gains (losses), respectively. For the nine months ended September 30, 2021 and 2020, Other Revenue on a GAAP basis was $152.4 million and $(109.6) million, and included $150.4 million and $(113.2) million of foreign exchange gains (losses), respectively.

(e) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone's segment presentation. This adjustment includes the elimination of Blackstone's interest in these funds, the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures, and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

(f) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation. This amount includes amortization of intangibles associated with Blackstone's investment in Pátria, which was historically accounted for under the equity method. As a result of Pátria's IPO in January 2021, equity method has been discontinued and there will no longer be amortization of intangibles associated with the investment.

(g) This adjustment removes Transaction-Related Charges, which are excluded from Blackstone's segment presentation. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures, and Blackstone's initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.

(h) Total Segment Revenues is comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Total Segment Management and Advisory Fees, Net	$ 1,320,075	$ 1,057,840	$ 3,711,022	$ 2,975,140
Total Segment Fee Related Performance Revenues	73,313	64,950	291,370	92,449
Total Segment Realized Performance Revenues	1,497,477	319,954	2,691,738	589,364
Total Segment Realized Principal Investment Income	151,010	15,884	512,298	55,112
Total Segment Revenues	$ 3,041,875	$ 1,458,628	$ 7,206,428	$ 3,712,065

(i) This adjustment removes Unrealized Performance Allocations Compensation.

(j) This adjustment removes Equity-Based Compensation on a segment basis.

(k) This adjustment adds back Interest Expense on a segment basis, excluding interest expense related to the Tax Receivable Agreement.

(l) This adjustment adds an amount equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

(m) Total Segment Expenses is comprised of the following:

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Total Segment Fee Related Compensation	$ 419,481	$ 360,633	$ 1,239,976	$ 1,013,801
Total Segment Realized Performance Compensation	619,074	121,730	1,108,269	230,819
Total Segment Other Operating Expenses	194,942	151,213	538,544	433,681
Total Segment Expenses	$ 1,233,497	$ 633,576	$ 2,886,789	$ 1,678,301

Reconciliations of Total Segment Components

The following tables reconcile the components of Total Segments to their equivalent GAAP measures, reported on the Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Management and Advisory Fees, Net				
GAAP	$ 1,320,795	$ 1,053,851	$ 3,711,159	$ 2,958,411
Segment Adjustment (a)	(720)	3,989	(137)	16,729
Total Segment	$ 1,320,075	$ 1,057,840	$ 3,711,022	$ 2,975,140

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues				
GAAP				
Incentive Fees	$ 48,206	$ 13,498	$ 117,537	$ 40,959
Investment Income - Realized Performance Allocations	1,522,495	371,406	2,865,482	640,846
GAAP	1,570,701	384,904	2,983,019	681,805
Total Segment				
Less: Realized Performance Revenues	(1,497,477)	(319,954)	(2,691,738)	(589,364)
Segment Adjustment (b)	89	—	89	8
Total Segment	$ 73,313	$ 64,950	$ 291,370	$ 92,449

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
GAAP Compensation to Total Segment Fee Related Compensation				
GAAP				
Compensation	$ 536,199	$ 460,983	$ 1,585,941	$ 1,395,983
Incentive Fee Compensation	21,007	7,385	48,763	22,339
Realized Performance Allocations Compensation	631,632	142,149	1,192,082	253,141
GAAP	1,188,838	610,517	2,826,786	1,671,463
Total Segment				
Less: Realized Performance Compensation	(619,074)	(121,730)	(1,108,269)	(230,819)
Less: Equity-Based Compensation - Operating Compensation	(127,442)	(88,180)	(388,607)	(260,719)
Less: Equity-Based Compensation - Performance Compensation	(1,812)	(1,682)	(6,341)	(5,956)
Segment Adjustment (c)	(21,029)	(38,292)	(83,593)	(160,168)
Total Segment	$ 419,481	$ 360,633	$ 1,239,976	$ 1,013,801

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
GAAP General, Administrative and Other to Total Segment Other Operating Expenses				
GAAP	$ 217,995	$ 171,041	$ 608,174	$ 497,658
Segment Adjustment (d)	(23,053)	(19,828)	(69,630)	(63,977)
Total Segment	$ 194,942	$ 151,213	$ 538,544	$ 433,681

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Realized Performance Revenues				
GAAP				
Incentive Fees	$ 48,206	$ 13,498	$ 117,537	$ 40,959
Investment Income - Realized Performance Allocations	1,522,495	371,406	2,865,482	640,846
GAAP	1,570,701	384,904	2,983,019	681,805
Total Segment				
Less: Fee Related Performance Revenues	(73,313)	(64,950)	(291,370)	(92,449)
Segment Adjustment (b)	89	—	89	8
Total Segment	$ 1,497,477	$ 319,954	$ 2,691,738	$ 589,364

(All Dollars are in Thousands, Except Share and Per Share Data, Except Where Noted)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Realized Performance Compensation				
GAAP				
Incentive Fee Compensation	$ 21,007	$ 7,385	$ 48,763	$ 22,339
Realized Performance Allocation Compensation	631,632	142,149	1,192,082	253,141
GAAP	652,639	149,534	1,240,845	275,480
Total Segment				
Less: Fee Related Performance Compensation	(31,753)	(26,122)	(126,235)	(38,705)
Less: Equity-Based Compensation - Performance Compensation	(1,812)	(1,682)	(6,341)	(5,956)
Total Segment	$ 619,074	$ 121,730	$ 1,108,269	$ 230,819

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Realized Principal Investment Income				
GAAP	$ 325,414	$ 61,017	$ 832,512	$ 170,814
Segment Adjustment (e)	(174,404)	(45,133)	(320,214)	(115,702)
Total Segment	$ 151,010	$ 15,884	$ 512,298	$ 55,112

Segment basis presents revenues and expenses on a basis that deconsolidates the investment funds Blackstone manages and excludes the amortization of intangibles, the expense of equity-based awards and Transaction-Related Charges.

(a) Represents (1) the add back of net management fees earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of revenue from the reimbursement of certain expenses by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures.

(b) Represents the add back of Performance Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.

(c) Represents the removal of Transaction-Related Charges that are not recorded in the Total Segment measures.

(d) Represents the removal of (1) the amortization of transaction-related intangibles, and (2) certain expenses reimbursed by the Blackstone Funds, which are presented gross under GAAP but netted against Management and Advisory Fees, Net in the Total Segment measures. This adjustment includes a reduction equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units which is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone’s segment presentation.

(e) Represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

19. Subsequent Events

There have been no events since September 30, 2021 that require recognition or disclosure in the Condensed Consolidated Financial Statements.

Item 1A. Unaudited Supplemental Presentation of Statements of Financial Condition

Blackstone Inc.
Unaudited Consolidating Statements of Financial Condition
(Dollars in Thousands)

	September 30, 2021			
	Consolidated Operating Partnerships	Consolidated Blackstone Funds (a)	Reclasses and Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	$ 5,011,433	$ —	$ —	$ 5,011,433
Cash Held by Blackstone Funds and Other	—	113,731	—	113,731
Investments	23,399,419	2,104,705	(399,929)	25,104,195
Accounts Receivable	432,011	64,254	—	496,265
Due from Affiliates	3,719,946	12,444	(14,271)	3,718,119
Intangible Assets, Net	303,082	—	—	303,082
Goodwill	1,890,202	—	—	1,890,202
Other Assets	538,305	262	—	538,567
Right-of-Use Assets	745,886	—	—	745,886
Deferred Tax Assets	1,116,612	—	—	1,116,612
Total Assets	$ 37,156,896	$ 2,295,396	$ (414,200)	$ 39,038,092
Liabilities and Equity				
Loans Payable	$ 7,527,476	$ 100	$ —	$ 7,527,576
Due to Affiliates	1,332,475	108,005	(14,271)	1,426,209
Accrued Compensation and Benefits	7,399,559	—	—	7,399,559
Securities Sold, Not Yet Purchased	11,912	23,745	—	35,657
Repurchase Agreements	—	36,545	—	36,545
Operating Lease Liabilities	863,020	—	—	863,020
Accounts Payable, Accrued Expenses and Other Liabilities	836,792	34,869	—	871,661
Total Liabilities	17,971,234	203,264	(14,271)	18,160,227
Redeemable Non-Controlling Interests in Consolidated Entities	22,001	44,823	—	66,824
Equity				
Common Stock	7	—	—	7
Series I Preferred Stock	—	—	—	—
Series II Preferred Stock	—	—	—	—
Additional Paid-in-Capital	6,037,628	359,923	(359,923)	6,037,628
Retained Earnings	3,031,765	40,006	(40,006)	3,031,765
Accumulated Other Comprehensive Loss	(15,357)	—	—	(15,357)
Non-Controlling Interests in Consolidated Entities	3,991,232	1,647,380	—	5,638,612
Non-Controlling Interests in Blackstone Holdings	6,118,386	—	—	6,118,386
Total Equity	19,163,661	2,047,309	(399,929)	20,811,041
Total Liabilities and Equity	$ 37,156,896	$ 2,295,396	$ (414,200)	$ 39,038,092

Blackstone Inc.
Unaudited Consolidating Statements of Financial Condition - Continued
(Dollars in Thousands)

	December 31, 2020			
	Consolidated Operating Partnerships	Consolidated Blackstone Funds (a)	Reclasses and Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	$ 1,999,484	$ —	$ —	$ 1,999,484
Cash Held by Blackstone Funds and Other	—	64,972	—	64,972
Investments	14,425,035	1,455,008	(262,901)	15,617,142
Accounts Receivable	746,059	120,099	—	866,158
Due from Affiliates	3,224,522	10,001	(13,008)	3,221,515
Intangible Assets, Net	347,955	—	—	347,955
Goodwill	1,901,485	—	—	1,901,485
Other Assets	480,760	262	—	481,022
Right-of-Use Assets	526,943	—	—	526,943
Deferred Tax Assets	1,242,576	—	—	1,242,576
Total Assets	$ 24,894,819	$ 1,650,342	$ (275,909)	$ 26,269,252
Liabilities and Equity				
Loans Payable	$ 5,644,554	$ 99	$ —	$ 5,644,653
Due to Affiliates	1,070,955	77,095	(13,009)	1,135,041
Accrued Compensation and Benefits	3,433,260	—	—	3,433,260
Securities Sold, Not Yet Purchased	9,324	41,709	—	51,033
Repurchase Agreements	—	76,808	—	76,808
Operating Lease Liabilities	620,844	—	—	620,844
Accounts Payable, Accrued Expenses and Other Liabilities	679,883	37,221	—	717,104
Total Liabilities	11,458,820	232,932	(13,009)	11,678,743
Redeemable Non-Controlling Interests in Consolidated Entities	21,999	43,162	—	65,161
Equity				
Common Stock	7	—	—	7
Series I Preferred Stock	—	—	—	—
Series II Preferred Stock	—	—	—	—
Additional Paid-in-Capital	6,332,105	269,235	(269,235)	6,332,105
Retained Earnings	335,762	(6,335)	6,335	335,762
Accumulated Other Comprehensive Loss	(15,831)	—	—	(15,831)
Non-Controlling Interests in Consolidated Entities	2,930,809	1,111,348	—	4,042,157
Non-Controlling Interests in Blackstone Holdings	3,831,148	—	—	3,831,148
Total Equity	13,414,000	1,374,248	(262,900)	14,525,348
Total Liabilities and Equity	$ 24,894,819	$ 1,650,342	$ (275,909)	$ 26,269,252

(a) The Consolidated Blackstone Funds consisted of the following:

Blackstone / GSO Global Dynamic Credit Feeder Fund (Cayman) LP
Blackstone / GSO Global Dynamic Credit Funding Designated Activity Company
Blackstone / GSO Global Dynamic Credit Master Fund

Blackstone / GSO Global Dynamic Credit USD Feeder Fund (Ireland)
Blackstone Annex Onshore Fund L.P.*
Blackstone Horizon Fund L.P.*
Blackstone Real Estate Special Situations Holdings L.P.
Blackstone Strategic Alliance Fund L.P.
BTD CP Holdings LP
Mezzanine side-by-side investment vehicles
Private equity side-by-side investment vehicles
Real estate side-by-side investment vehicles
Hedge Fund Solutions side-by-side investment vehicles.

*Consolidated as of September 30, 2021 only.

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

The following discussion and analysis should be read in conjunction with Blackstone Inc.'s condensed consolidated financial statements and the related notes included in this Quarterly Report on Form 10-Q.

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. In this report, references to "Blackstone," the "Company," "we," "us" or "our" refer to Blackstone Inc. and its consolidated subsidiaries.

Effective February 26, 2021, Blackstone effectuated changes to rename its Class A common stock as "common stock," and to reclassify its Class B and Class C common stock into a new "Series I preferred stock" and "Series II preferred stock," respectively (the "share reclassification"). Each new stock has the same rights and powers of its predecessor. All references to common stock, Series I preferred stock and Series II preferred stock prior to the share reclassification refer to Class A, Class B and Class C common stock, respectively. See "— Organizational Structure."

Our Business

Blackstone is one of the world's leading investment firms. Our business is organized into four segments:

- **Real Estate.** Our real estate business is a global leader in real estate investing. Our Real Estate segment operates as one globally integrated business, with investments in the Americas, Europe and Asia. Our real estate investment teams seek to utilize our global expertise and presence to generate attractive risk-adjusted returns for our investors and to make a positive impact on the communities in which we invest. Blackstone Real Estate seeks to invest thematically in high-quality assets, focusing where we see outsized growth potential driven by global economic and demographic trends. Blackstone Real Estate has made significant investments in logistics, office, rental housing, hospitality and retail properties around the world, as well as a variety of real estate operating companies.

  Our Blackstone Real Estate Partners ("BREP") funds are geographically diversified and target a broad range of "opportunistic" real estate and real estate-related investments. The BREP funds include global funds as well as funds focused specifically on Europe or Asia investments.

  Our Blackstone Real Estate Debt Strategies ("BREDS") vehicles primarily target real estate-related debt investment opportunities. BREDS' scale and investment mandates enable it to provide a variety of lending and investment options including commercial real estate and mezzanine loans, residential mortgage loan pools and liquid real estate-related debt securities. The BREDS platform includes a number of high-yield real estate debt funds, liquid real estate debt funds and BXMT, a NYSE-listed real estate investment trust ("REIT").

Blackstone Real Estate's Core+ strategy invests in substantially stabilized real estate globally through regional open-ended funds focused on high-quality assets, the Blackstone Property Partners funds ("BPP"), and Blackstone Real Estate Income Trust, Inc. ("BREIT"), a non-listed REIT that invests in income-generating assets in North America, and Blackstone BioMed Life Science Real Estate L.P. ("BPP Life Sciences"), a long-term, perpetual capital, core+ return fund that owns BioMed Realty and is focused on life science office investments primarily across the U.S.

- **Private Equity.** Our Private Equity segment includes our corporate private equity business, which consists of (a) our flagship private equity funds (Blackstone Capital Partners ("BCP") funds), which includes global funds as well as funds focused specifically on Asia investments, (b) our sector-focused private equity funds, including our energy-focused funds (Blackstone Energy Partners ("BEP") funds) and (c) our core private equity funds, Blackstone Core Equity Partners ("BCEP"). In addition, our Private Equity segment includes (a) our opportunistic investment platform that invests globally across asset classes, industries and geographies, Blackstone Tactical Opportunities ("Tactical Opportunities"), (b) our secondary fund of funds business, Strategic Partners Fund Solutions ("Strategic Partners"), (c) our infrastructure-focused funds, Blackstone Infrastructure Partners ("BIP"), (d) our life sciences private investment platform, Blackstone Life Sciences ("BXLS"), (e) our growth equity investment platform, Blackstone Growth ("BXG"), (f) a multi-asset investment program for eligible high net worth investors offering exposure to certain of Blackstone's key illiquid investment strategies through a single commitment, Blackstone Total Alternatives Solution ("BTAS") and (g) our capital markets services business, Blackstone Capital Markets ("BXCM").

  We are a global leader in private equity investing. Our corporate private equity business, established in 1987, pursues transactions across industries in both established and growth-oriented businesses across the globe. We strive to create value by investing in great businesses where our capital, strategic insight, global relationships and operational support can drive transformation. Our core private equity funds target control-oriented investments in high-quality companies with durable businesses and seek to offer a lower level of risk and a longer hold period than traditional private equity.

  Tactical Opportunities invests globally across asset classes, industries and geographies, seeking to identify and execute on attractive, differentiated investment opportunities, leveraging the intellectual capital across our various businesses while continuously optimizing its approach in the face of ever-changing market conditions. Strategic Partners is a total fund solutions provider that acquires interests in high-quality private funds from original holders seeking liquidity, makes primary investments and co-investments with financial sponsors and provides investment advisory services to clients investing in primary and secondary investments in private funds and co-investments. BIP focuses on investments across all infrastructure sectors, including energy infrastructure, transportation, digital infrastructure, and water and waste with a primary focus in the U.S. BXLS is our private investment platform with capabilities to invest across the life cycle of companies and products within the life sciences sector. BXG seeks to deliver attractive risk-adjusted returns by investing in dynamic, growth-stage businesses, with a focus on the consumer, enterprise solutions, financial services and healthcare sectors.

- **Hedge Fund Solutions.** The principal component of our Hedge Fund Solutions segment is Blackstone Alternative Asset Management ("BAAM"). BAAM is the world's largest discretionary allocator to hedge funds, managing a broad range of commingled and customized fund solutions since its inception in 1990. The Hedge Fund Solutions segment also includes investment platforms that seed new hedge fund businesses, purchase minority interests in more established general partners and management companies of funds, invest in special situation opportunities, create alternative solutions through daily liquidity products and invest directly.

- **Credit & Insurance.** The principal component of our Credit & Insurance segment is Blackstone Credit (“BXC”). BXC is one of the largest credit-oriented managers in the world and is the largest manager of collateralized loan obligations (“CLOs”) globally. The investment portfolios of the funds BXC manages or sub-advises predominantly consist of loans and securities of non-investment grade companies spread across the capital structure including senior debt, subordinated debt, preferred stock and common equity.

  BXC is organized into two overarching strategies: private credit and liquid credit. Private credit strategies include mezzanine lending funds, middle market direct lending funds (including Blackstone Secured Lending Fund (“BXSL”) and Blackstone Private Credit Fund (“BCRED”), both of which are business development companies (“BDCs”)), our structured products group, stressed/distressed strategies (including stressed/distressed funds and credit alpha strategies) and energy strategies. Liquid credit strategies consist of CLOs, closed-ended funds, open-ended funds and separately managed accounts.

  Our Credit & Insurance segment includes our insurer-focused platform, Blackstone Insurance Solutions (“BIS”). BIS focuses on providing full investment management services for insurers’ general accounts, delivering customized and diversified portfolios that include allocations to Blackstone managed products and strategies across asset classes and Blackstone’s private credit origination capabilities. BIS provides its clients tailored portfolio construction and strategic asset allocation, seeking to generate risk-managed, capital-efficient returns, diversification and capital preservation that meets clients’ objectives. BIS also provides similar services to clients through separately managed accounts or by sub-managing assets for certain insurance-dedicated funds and special purpose vehicles.

  Our Credit & Insurance segment also includes our publicly traded midstream energy infrastructure and master limited partnership (“MLP”) investment platform, which is managed by Harvest Fund Advisors LLC (“Harvest”). Harvest primarily invests capital raised from institutional investors in separately managed accounts and pooled vehicles, investing in publicly traded energy infrastructure and MLPs holding primarily midstream energy assets in North America.

We generate revenue from fees earned pursuant to contractual arrangements with funds, fund investors and fund portfolio companies (including management, transaction and monitoring fees), and from capital markets services. We also invest in the funds we manage and we are entitled to a pro-rata share of the results of the fund (a “pro-rata allocation”). In addition to a pro-rata allocation, and assuming certain investment returns are achieved, we are entitled to a disproportionate allocation of the income otherwise allocable to the limited partners, commonly referred to as carried interest (“Performance Allocations”). In certain structures, we receive a contractual incentive fee from an investment fund in the event that specified cumulative investment returns are achieved (an “Incentive Fee,” and together with Performance Allocations, “Performance Revenues”). The composition of our revenues will vary based on market conditions and the cyclicality of the different businesses in which we operate. Net investment gains and investment income generated by the Blackstone Funds are driven by value created by our operating and strategic initiatives as well as overall market conditions. Fair values are affected by changes in the fundamentals of our portfolio company and other investments, the industries in which they operate, the overall economy and other market conditions.

Our Response to COVID-19

As the novel coronavirus (“COVID-19”) pandemic has continued to evolve, our primary focus has been the safety and wellbeing of our employees and their families, as well as the seamless functioning of the firm in serving our limited partner investors who have entrusted us with their capital, and our shareholders. Where remote work has been appropriate or recommended under local government guidelines, our technology infrastructure has proven to be robust and capable of supporting a remote work model. We have implemented rigorous protocols for remote work across the firm, including increased cadence of group calls and updates, and frequent communication across leadership and working levels. We are leveraging technology to ensure our teams stay connected and productive, and that our culture remains strong even in these unusual circumstances. To the extent we are not meeting with our clients in person, we continue to actively communicate with our clients through videoconference, teleconference and email. Investment committees continue to convene as needed, and the firm continues to operate across investment, asset management and corporate support functions.

In July 2020, employees in our U.S. and European offices began returning to the office on a voluntary basis, and in June 2021, the majority of our U.S. employees began returning to the office on a regular basis, in each case consistent with local government guidelines, with testing, contact-tracing and social distancing and other safety protocols in place. In implementing our return to office plans, we continue to closely monitor applicable public health and government guidance, the proliferation of variants and progress on vaccine production and distribution.

Business Environment

Blackstone's businesses are materially affected by conditions in the financial markets and economic conditions in the U.S., Europe, Asia and, to a lesser extent, elsewhere in the world.

The third quarter of 2021 was generally characterized by continuing economic recovery across sectors and geographies and robust economic activity. The global equity and credit markets exhibited mixed performance, with some volatility late in the quarter, in part due to growing concerns regarding inflation, including as a result of supply chain issues, labor shortages and wage increases.

In the U.S., the S&P 500 Total Return Index increased less than 1% in the third quarter of 2021, with divergent performance across sectors. Financials and Utilities led gains in the quarter, while Industrials and Materials lagged. The Bloomberg Commodity Index increased nearly 7% in the quarter, while the price of West Texas Intermediate crude oil increased 2% to $75 per barrel, representing an 87% increase year over year. The annual U.S. inflation rate remained elevated at 5.4% in September 2021, unchanged since June, which was the highest reported level since July of 2008. The CBOE Volatility Index rose 46% in the third quarter of 2021 to 23.1.

In the credit markets, in the third quarter of 2021, U.S. leveraged loans and high yield bonds returned 1.1% and 0.9%, respectively. High yield spreads expanded 14 basis points in the quarter, while year-to-date issuance increased 25% year over year. Merger and acquisition activity also accelerated in the third quarter, as global announced deal value continued its recent strong upward trajectory, increasing 36% compared to the third quarter of 2020 and 9% compared to the second quarter of 2021, with 2021 expected to be one of the highest years on record.

The U.S. Federal Reserve maintained the federal funds target range at 0.0%-0.25%, the range set in March 2020 in response to the initial onset of the COVID-19 pandemic. In part due to elevated inflation risks, the U.S. Treasury yield curve increased in the quarter, with ten-year yields increasing by two basis points to 1.49%, and further increased to 1.58% subsequent to quarter-end as of October 28, 2021. Three-month LIBOR declined two basis points in the third quarter to 0.13% and remains near that level subsequent to quarter-end.

The U.S. unemployment rate decreased to 4.8% as of September 2021 from 5.9% as of June 2021, well below the April 2020 peak of 14.8%. Average hourly earnings increased 4.6% year-over-year based on the three-month average for production and nonsupervisory employees. U.S. retail sales fell 0.2% in September compared to June 2021 on a seasonally adjusted basis, but increased 12% compared to September 2020. The Institute for Supply Management Purchasing Managers' Index increased marginally in the third quarter, rising to 61.1 from 60.6 in the second quarter, signaling continued expansion in the U.S. manufacturing sector.

Economic activity has continued to accelerate across sectors and regions. Nevertheless, due to global supply chain issues, a rise in energy prices and strong consumer demand as economies continue to reopen, inflation is showing signs of acceleration in the U.S. and globally. Inflation is likely to continue in the near to medium-term, particularly in the U.S., with the possibility that monetary policy may tighten in response.

Notable Transactions

On July 14, 2021, Blackstone announced that it entered into a stock purchase agreement with American International Group, Inc. ("AIG") to acquire a 9.9% equity stake in SAFG Retirement Services, Inc. ("SAFG") for an aggregate cash purchase price of $2.2 billion, subject to purchase price adjustments. SAFG is expected to be the parent company of AIG's Life and Retirement ("AIG L&R") business at the time of the anticipated initial public offering of AIG L&R, which AIG previously announced it is pursuing. In connection with the closing of the transaction, Blackstone will enter into a long-term strategic asset management partnership to serve as the exclusive external investment manager of AIG L&R with respect to certain asset classes. On November 2, 2021, the acquisition of the 9.9% equity stake in SAFG closed and Blackstone entered into the long-term strategic asset management partnership.

On August 5, 2021, Blackstone issued $650 million aggregate principal amount of 1.625% senior notes due August 5, 2028 (the "2028 Notes"), $800 million aggregate principal amount of 2.000% senior notes due January 30, 2032 (the "2032 Notes") and $550 million aggregate principal amount of 2.850% senior notes due August 5, 2051 (the "2051 Notes"). For additional information see Note 12. "Borrowings" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements."

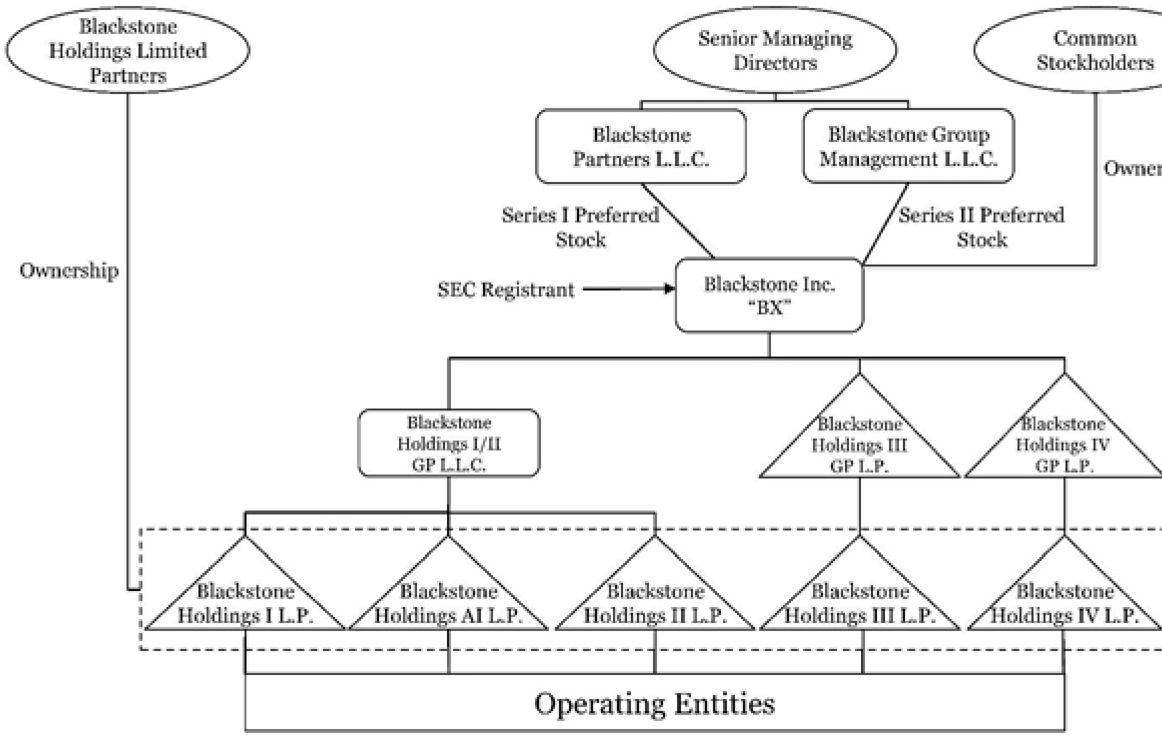
Organizational Structure

Effective July 1, 2019, The Blackstone Group L.P. converted from a Delaware limited partnership to a Delaware corporation, The Blackstone Group Inc. (the "Conversion").

Effective February 26, 2021, Blackstone effectuated changes to rename its Class A common stock as "common stock," and to reclassify its Class B and Class C common stock into a new "Series I preferred stock" and "Series II preferred stock," respectively. Each new stock has the same rights and powers of its predecessor. For additional information, see Note 1. "Organization" and Note 14. "Earnings Per Share and Stockholders' Equity — Stockholders' Equity" in the "Notes to Condensed Consolidated Financial Statements" in " — Item 1. Financial Statements" of this filing.

Effective August 6, 2021, The Blackstone Group Inc. changed its name to Blackstone Inc. For additional information, see Note 1. "Organization" in the "Notes to Condensed Consolidated Financial Statements" in "— Item 1. Financial Statements."

The simplified diagram below depicts our current organizational structure. The diagram does not depict all of our subsidiaries, including intermediate holding companies through which certain of the subsidiaries depicted are held.



Key Financial Measures and Indicators

We manage our business using certain financial measures and key operating metrics since we believe these metrics measure the productivity of our investment activities. We prepare our Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See Note 2. "Summary of Significant Accounting Policies" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" and "— Critical Accounting Policies." Our key non-GAAP financial measures and operating indicators and metrics are discussed below.

Distributable Earnings

Distributable Earnings is derived from Blackstone's segment reported results. Distributable Earnings is used to assess performance and amounts available for dividends to Blackstone shareholders, including Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships. Distributable Earnings is the sum of Segment Distributable Earnings plus Net Interest and Dividend Income (Loss) less Taxes and Related Payables. Distributable Earnings excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Distributable Earnings.

Net Interest and Dividend Income (Loss) is presented on a segment basis and is equal to Interest and Dividend Revenue less Interest Expense, adjusted for the impact of consolidation of Blackstone Funds, and interest expense associated with the Tax Receivable Agreement.

Taxes and Related Payables represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and including the Payable under the Tax Receivable Agreement. Further, the current tax provision utilized when calculating Taxes and Related Payables and Distributable Earnings reflects the benefit of deductions available to the company on certain expense items that are excluded from the underlying calculation of Segment Distributable Earnings and Total Segment Distributable Earnings, such as equity-based compensation charges and certain Transaction-Related Charges where there is a current tax provision or benefit. The economic assumptions and methodologies that impact the implied income tax provision are the same as those methodologies and assumptions used in calculating the current income tax provision for Blackstone's Condensed Consolidated Statements of Operations under GAAP, excluding the impact of divestitures and accrued tax contingencies and refunds which are reflected when paid or received. Management believes that including the amount payable under the tax receivable agreement and utilizing the current income tax provision adjusted as described above when calculating Distributable Earnings is meaningful as it increases comparability between periods and more accurately reflects earnings that are available for distribution to shareholders.

Segment Distributable Earnings

Segment Distributable Earnings is Blackstone's segment profitability measure used to make operating decisions and assess performance across Blackstone's four segments. Segment Distributable Earnings represents the net realized earnings of Blackstone's segments and is the sum of Fee Related Earnings and Net Realizations for each segment. Blackstone's segments are presented on a basis that deconsolidates Blackstone Funds, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships, removes the amortization of intangible assets and removes Transaction-Related Charges. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures and Blackstone's initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions. Segment Distributable Earnings excludes unrealized activity and is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Segment Distributable Earnings.

Net Realizations is presented on a segment basis and is the sum of Realized Principal Investment Income and Realized Performance Revenues (which refers to Realized Performance Revenues excluding Fee Related Performance Revenues), less Realized Performance Compensation (which refers to Realized Performance Compensation excluding Fee Related Performance Compensation and Equity-Based Performance Compensation).

Realized Performance Compensation reflects an increase in the aggregate Realized Performance Compensation paid to certain of our professionals above the amounts allocable to them based upon the percentage participation in the relevant performance plans previously awarded to them as a result of a new compensation program that commenced during the three months ended June 30, 2021. As a result, in the three months and nine months ended September 30, 2021, Realized Performance Compensation paid to our professionals was increased by an aggregate of $5.0 million and $20.0 million, respectively, and Fee Related Compensation was decreased by a corresponding amount. These changes to Realized Performance Compensation and Fee Related Compensation reduced Net Realizations, increased Fee Related Earnings, and were neutral to Income (Loss) Before Provision (Benefit) for Taxes and had no impact to Distributable Earnings in the three months and nine months ended September 30, 2021.

Fee Related Earnings

Fee Related Earnings is a performance measure used to assess Blackstone's ability to generate profits from revenues that are measured and received on a recurring basis and not subject to future realization events. Fee Related Earnings equals management and advisory fees (net of management fee reductions and offsets) plus Fee Related Performance Revenues, less (a) Fee Related Compensation on a segment basis, and (b) Other Operating Expenses. Fee Related Earnings is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Fee Related Earnings.

Fee Related Compensation is presented on a segment basis and refers to the compensation expense, excluding Equity-Based Compensation, directly related to (a) Management and Advisory Fees, Net and (b) Fee Related Performance Revenues, referred to as Fee Related Performance Compensation.

Fee Related Performance Revenues refers to the realized portion of Performance Revenues from Perpetual Capital that are (a) measured and received on a recurring basis, and (b) not dependent on realization events from the underlying investments.

Other Operating Expenses is presented on a segment basis and is equal to General, Administrative and Other Expenses, adjusted to (a) remove the amortization of transaction-related intangibles, (b) remove certain expenses reimbursed by the Blackstone Funds which are netted against Management and Advisory Fees, Net in Blackstone's segment presentation, and (c) give effect to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization

Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization ("Adjusted EBITDA"), is a supplemental measure used to assess performance derived from Blackstone's segment results and may be used to assess its ability to service its borrowings. Adjusted EBITDA represents Distributable Earnings plus the addition of (a) Interest Expense on a segment basis, (b) Taxes and Related Payables, and (c) Depreciation and Amortization. Adjusted EBITDA is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Income (Loss) Before Provision (Benefit) for Taxes. See "— Non-GAAP Financial Measures" for our reconciliation of Adjusted EBITDA.

Operating Metrics

The alternative asset management business is primarily based on managing third party capital and does not require substantial capital investment to support rapid growth. Since our inception, we have developed and used various key operating metrics to assess and monitor the operating performance of our various alternative asset management businesses in order to monitor the effectiveness of our value creating strategies.

Total and Fee-Earning Assets Under Management

Total Assets Under Management refers to the assets we manage. Our Total Assets Under Management equals the sum of:

(a) the fair value of the investments held by our carry funds and our side-by-side and co-investment entities managed by us plus the capital that we are entitled to call from investors in those funds and entities pursuant to the terms of their respective capital commitments, including capital commitments to funds that have yet to commence their investment periods,

(b) the net asset value of (1) our hedge funds, real estate debt carry funds, BPP, certain co-investments managed by us, certain credit-focused funds, and our Hedge Fund Solutions drawdown funds (plus, in each case, the capital that we are entitled to call from investors in those funds, including commitments yet to commence their investment periods), and (2) our funds of hedge funds, our Hedge Fund Solutions registered investment companies, and BREIT,

(c) the invested capital, fair value or net asset value of assets we manage pursuant to separately managed accounts,

(d) the amount of debt and equity outstanding for our CLOs during the reinvestment period,

(e) the aggregate par amount of collateral assets, including principal cash, for our CLOs after the reinvestment period,

(f) the gross or net amount of assets (including leverage where applicable) for our credit-focused registered investment companies,

(g) the fair value of common stock, preferred stock, convertible debt, term loans or similar instruments issued by BXMT, and

(h) borrowings under and any amounts available to be borrowed under certain credit facilities of our funds.

Our carry funds are commitment-based drawdown structured funds that do not permit investors to redeem their interests at their election. Our funds of hedge funds, hedge funds, funds structured like hedge funds and other open-ended funds in our Real Estate, Hedge Fund Solutions and Credit & Insurance segments generally have structures that afford an investor the right to withdraw or redeem their interests on a periodic basis (for example, annually or quarterly), typically with 30 to 95 days' notice, depending on the fund and the liquidity profile of the underlying assets. Investment advisory agreements related to certain separately managed accounts in our Hedge Fund Solutions and Credit & Insurance segments, excluding our BIS separately managed accounts, may generally be terminated by an investor on 30 to 90 days' notice.

Fee-Earning Assets Under Management refers to the assets we manage on which we derive management fees and/or performance revenues. Our Fee-Earning Assets Under Management equals the sum of:

(a) for our Private Equity segment funds and Real Estate segment carry funds, including certain BREDS and Hedge Fund Solutions funds, the amount of capital commitments, remaining invested capital, fair value, net asset value or par value of assets held, depending on the fee terms of the fund,

(b) for our credit-focused carry funds, the amount of remaining invested capital (which may include leverage) or net asset value, depending on the fee terms of the fund,

(c) the remaining invested capital or fair value of assets held in co-investment vehicles managed by us on which we receive fees,

(d) the net asset value of our funds of hedge funds, hedge funds, BPP, certain co-investments managed by us, certain registered investment companies, BREIT, and certain of our Hedge Fund Solutions drawdown funds,

(e) the invested capital, fair value of assets or the net asset value we manage pursuant to separately managed accounts,

(f) the net proceeds received from equity offerings and accumulated distributable earnings of BXMT, subject to certain adjustments,

(g) the aggregate par amount of collateral assets, including principal cash, of our CLOs, and

(h) the gross amount of assets (including leverage) or the net assets (plus leverage where applicable) for certain of our credit-focused registered investment companies.

Each of our segments may include certain Fee-Earning Assets Under Management on which we earn performance revenues but not management fees.

Our calculations of Total Assets Under Management and Fee-Earning Assets Under Management may differ from the calculations of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers. In addition, our calculation of Total Assets Under Management includes commitments to, and the fair value of, invested capital in our funds from Blackstone and our personnel, regardless of whether such commitments or invested capital are subject to fees. Our definitions of Total Assets Under Management and Fee-Earning Assets Under Management are not based on any definition of total assets under management and fee-earning assets under management that is set forth in the agreements governing the investment funds that we manage.

For our carry funds, Total Assets Under Management includes the fair value of the investments held and uncalled capital commitments, whereas Fee-Earning Assets Under Management may include the total amount of capital commitments or the remaining amount of invested capital at cost, depending on whether the investment period has expired or as specified by the fee terms of the fund. As such, in certain carry funds Fee-Earning Assets Under Management may be greater than Total Assets Under Management when the aggregate fair value of the remaining investments is less than the cost of those investments.

Perpetual Capital

Perpetual Capital refers to the component of assets under management with an indefinite term, that is not in liquidation, and for which there is no requirement to return capital to investors through redemption requests in the ordinary course of business, except where funded by new capital inflows. Perpetual Capital includes co-investment capital with an investor right to convert into Perpetual Capital.

Dry Powder

Dry Powder represents the amount of capital available for investment or reinvestment, including general partner and employee capital, and is an indicator of the capital we have available for future investments.

Performance Eligible Assets Under Management

Performance Eligible Assets Under Management represents invested and to be invested capital at fair value, including capital closed for funds whose investment period has not yet commenced, on which performance revenues could be earned if certain hurdles are met.

Consolidated Results of Operations

Following is a discussion of our consolidated results of operations for the three and nine months ended September 30, 2021 and 2020. For a more detailed discussion of the factors that affected the results of our four business segments (which are presented on a basis that deconsolidates the investment funds we manage) in these periods, see "— Segment Analysis" below.

The following table sets forth information regarding our consolidated results of operations and certain key operating metrics for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		2021 vs. 2020		Nine Months Ended September 30,		2021 vs. 2020	
	2021	2020	$	%	2021	2020	$	%
				(Dollars in Thousands)				
Revenues								
Management and Advisory Fees, Net	$ 1,320,795	$ 1,053,851	$ 266,944	25%	$ 3,711,159	$ 2,958,411	$ 752,748	25%
Incentive Fees	48,206	13,498	34,708	257%	117,537	40,959	76,578	187%
Investment Income (Loss)								
Performance Allocations								
Realized	1,522,495	371,406	1,151,089	310%	2,865,482	640,846	2,224,636	347%
Unrealized	2,724,366	1,403,480	1,320,886	94%	7,886,033	(981,678)	8,867,711	n/m
Principal Investments								
Realized	325,414	61,017	264,397	433%	832,512	170,814	661,698	387%
Unrealized	183,754	295,308	(111,554)	-38%	1,151,904	(332,295)	1,484,199	n/m
Total Investment Income (Loss)	4,756,029	2,131,211	2,624,818	123%	12,735,931	(502,313)	13,238,244	n/m
Interest and Dividend Revenue	35,048	26,497	8,551	32%	97,477	85,505	11,972	14%
Other	64,187	(192,159)	256,346	n/m	152,387	(109,559)	261,946	n/m
Total Revenues	6,224,265	3,032,898	3,191,367	105%	16,814,491	2,473,003	14,341,488	580%
Expenses								
Compensation and Benefits								
Compensation	536,199	460,983	75,216	16%	1,585,941	1,395,983	189,958	14%
Incentive Fee Compensation	21,007	7,385	13,622	184%	48,763	22,339	26,424	118%
Performance Allocations Compensation								
Realized	631,632	142,149	489,483	344%	1,192,082	253,141	938,941	371%
Unrealized	1,193,853	509,474	684,379	134%	3,394,041	(433,091)	3,827,132	n/m
Total Compensation and Benefits	2,382,691	1,119,991	1,262,700	113%	6,220,827	1,238,372	4,982,455	402%
General, Administrative and Other	217,995	171,041	46,954	27%	608,174	497,658	110,516	22%
Interest Expense	52,413	39,540	12,873	33%	141,718	120,460	21,258	18%
Fund Expenses	1,260	2,274	(1,014)	-45%	7,417	10,962	(3,545)	-32%
Total Expenses	2,654,359	1,332,846	1,321,513	99%	6,978,136	1,867,452	5,110,684	274%
Other Income (Loss)								
Change in Tax Receivable Agreement Liability	(37,321)	(7,693)	(29,628)	385%	(34,803)	(8,212)	(26,591)	324%
Net Gains (Losses) from Fund Investment Activities	132,312	108,752	23,560	22%	379,781	(60,325)	440,106	n/m
Total Other Income (Loss)	94,991	101,059	(6,068)	-6%	344,978	(68,537)	413,515	n/m
Income Before Provision for Taxes	3,664,897	1,801,111	1,863,786	103%	10,181,333	537,014	9,644,319	n/m
Provision for Taxes	458,904	100,960	357,944	355%	746,707	89,672	657,035	733%
Net Income	3,205,993	1,700,151	1,505,842	89%	9,434,626	447,342	8,987,284	n/m
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	1,550	6,868	(5,318)	-77%	2,816	(12,027)	14,843	n/m
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	486,907	259,761	227,146	87%	1,305,273	(90,938)	1,396,211	n/m
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,315,641	638,803	676,838	106%	3,667,618	253,814	3,413,804	n/m
Net Income Attributable to Blackstone Inc.	$ 1,401,895	$ 794,719	$ 607,176	76%	$ 4,458,919	$ 296,493	$ 4,162,426	n/m

n/m Not meaningful.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

Revenues

Revenues were $6.2 billion for the three months ended September 30, 2021, an increase of $3.2 billion, or 105%, compared to $3.0 billion for the three months ended September 30, 2020. The increase in Revenues was primarily attributable to an increase of $2.6 billion in Investment Income (Loss), which is composed of increases of $1.4 billion and $1.2 billion in Realized and Unrealized Investment Income (Loss), respectively.

The $1.4 billion increase in Realized Investment Income (Loss) was primarily attributable to higher realized gains in our Private Equity and Real Estate segments.

The $1.2 billion increase in Unrealized Investment Income (Loss) was primarily attributable to net unrealized appreciation of investment holdings in the three months ended September 30, 2021 compared to net unrealized depreciation of investment holdings in the three months ended September 30, 2020. Unrealized Investment Income (Loss) in our Real Estate segment increased $1.3 billion. The increase in our Real Estate segment was primarily attributable to higher net unrealized appreciation of investment holdings in Core+ real estate and our BREP opportunistic funds in the three months ended September 30, 2021 compared to the three months ended September 30, 2020. The carrying value of investments for Core+ real estate increased 7.6% for the three months ended September 30, 2021 compared to 3.5% for the three months ended September 30, 2020. The carrying value of investments for our BREP opportunistic funds increased 16.2% for the three months ended September 30, 2021 compared to 6.4% for the three months ended September 30, 2020.

Expenses

Expenses were $2.7 billion for the three months ended September 30, 2021, an increase of $1.3 billion, compared to $1.3 billion for the three months ended September 30, 2020. The increase was primarily attributable to an increase of $1.3 billion in Total Compensation and Benefits, of which $1.2 billion was Performance Allocations Compensation. The increase in Performance Allocations Compensation was primarily due to the increase in Investment Income (Loss) – Performance Allocations, on which a portion of this compensation is based.

Other Income (Loss)

Other Income (Loss) was $95.0 million for the three months ended September 30, 2021, a decrease of $6.1 million, compared to $101.1 million for the three months ended September 30, 2020. The decrease in Other Income (Loss) was due to a decrease of $29.6 million in Change in Tax Receivable Agreement Liability, partially offset by an increase of $23.6 million in Net Gains (Losses) from Fund Investment Activities.

The decrease in Change in Tax Receivable Agreement Liability was due to changes in estimated tax basis recovery.

The increase in Net Gains (Losses) from Fund Investment Activities was principally driven by increases of $37.5 million in our Real Estate segment and $18.0 million in our Private Equity segment, partially offset by decreases of $18.0 million in our Credit & Insurance segment and $13.9 million in our Hedge Fund Solutions segment. The increase in our Real Estate segment was primarily due to higher unrealized appreciation and realized net gains of investments in our consolidated real estate funds. The increase in our Private Equity segment was primarily due to higher realized net gains of investments, partially offset by lower unrealized appreciation in our consolidated private equity funds. The decrease in our Credit & Insurance segment was primarily due to unrealized depreciation of investments, partially offset by realized net gains of investments in our consolidated credit funds. The decrease in our Hedge Fund Solutions segment was primarily due to unrealized depreciation of investments in our consolidated hedge fund solutions funds.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

Revenues

Revenues were $16.8 billion for the nine months ended September 30, 2021, an increase of $14.3 billion, or 580%, compared to $2.5 billion for the nine months ended September 30, 2020. The increase in Revenues was primarily attributable to an increase of $13.2 billion in Investment Income (Loss), which is composed of increases of $10.4 billion and $2.9 billion in Unrealized and Realized Investment Income (Loss), respectively.

The $10.4 billion increase in Unrealized Investment Income (Loss) was primarily attributable to net unrealized appreciation of investment holdings in the nine months ended September 30, 2021 compared to net unrealized depreciation of investment holdings in the nine months ended September 30, 2020. Unrealized Investment Income (Loss) in our Private Equity, Real Estate, Credit & Insurance and Hedge Fund Solutions segments increased $4.3 billion, $4.3 billion, $559.3 million and $511.4 million, respectively. Principal drivers of these increases were:

- The increase in our Private Equity segment was primarily attributable to higher net unrealized appreciation of investment holdings in corporate private equity in the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. Corporate private equity carrying value increased 38.3% for the nine months ended September 30, 2021 compared to an increase of 0.4% for the nine months ended September 30, 2020.

- The increase in our Real Estate segment was primarily attributable to higher net unrealized appreciation of investment holdings in our BREP opportunistic funds in the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020. The carrying value of investments for our BREP opportunistic funds increased 31.6% for the nine months ended September 30, 2021 compared to a decrease of 1.1% for the nine months ended September 30, 2020.

- The increase in our Credit & Insurance segment was primarily attributable to net unrealized appreciation of investments in our private credit strategies in the nine months ended September 30, 2021 compared to net unrealized depreciation in the nine months ended September 30, 2020.

- The increase in our Hedge Fund Solutions segment was primarily attributable to net unrealized appreciation of investment holdings in individual investor and specialized solutions, customized solutions and commingled products.

The $2.9 billion increase in Realized Investment Income (Loss) was primarily attributable to higher realized gains in our Private Equity and Real Estate segments and the gain recognized in the Pátria sale transactions. For additional information, see Note 4. “Investments — Equity Method Investments” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements.”

Expenses

Expenses were $7.0 billion for the nine months ended September 30, 2021, an increase of $5.1 billion, compared to $1.9 billion for the nine months ended September 30, 2020. The increase was primarily attributable to an increase of $5.0 billion in Total Compensation and Benefits, of which $4.8 billion was Performance Allocations Compensation. The increase in Performance Allocations Compensation was primarily due to the increase in Investment Income (Loss) – Performance Allocations, on which a portion of this compensation is based.

Other Income (Loss)

Other Income (Loss) was $345.0 million for the nine months ended September 30, 2021, an increase of $413.5 million, compared to $(68.5) million for the nine months ended September 30, 2020. The increase in Other Income (Loss) was due to an increase of $440.1 million in Net Gains (Losses) from Fund Investment Activities, partially offset by a decrease of $26.6 million in Change in Tax Receivable Agreement Liability.

The increase in Net Gains (Losses) from Fund Investment Activities was principally driven by increases of $221.3 million in our Private Equity segment, $175.6 million in our Real Estate segment and $49.5 million in our Credit & Insurance segment. The increase in our Private Equity segment was primarily due to unrealized appreciation and realized net gains of investments in our consolidated private equity funds. The increase in our Real Estate segment was primarily due to unrealized appreciation and realized net gains of investments in our consolidated real estate funds. The increase in our Credit & Insurance segment was primarily driven by the deconsolidation of nine CLO vehicles during the year ended December 31, 2020, as well as realized net gains of investments, partially offset by unrealized depreciation of investments in our consolidated credit funds. See Note 9. “Variable Interest Entities” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements” for additional information on the deconsolidated CLO vehicles.

The decrease in Change in Tax Receivable Agreement Liability was due to changes in estimated tax basis recovery.

Provision for Taxes

The following table summarizes Blackstone’s tax position:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(Dollars in Thousands)			
Income Before Provision for Taxes	$3,664,897	$1,801,111	$10,181,333	$537,014
Provision for Taxes	$ 458,904	$ 100,960	$ 746,707	$ 89,672
Effective Income Tax Rate	12.5%	5.6%	7.3%	16.7%

The following table reconciles the effective income tax rate to the U.S. federal statutory tax rate:

	Three Months Ended September 30,		2021 vs.	Nine Months Ended September 30,		2021 vs.
	2021	2020	2020	2021	2020	2020
Statutory U.S. Federal Income Tax Rate	21.0%	21.0%	—	21.0%	21.0%	—
Income Passed Through to Non-Controlling Interest Holders (a)(b)	-10.4%	-11.0%	0.6%	-10.3%	-6.8%	-3.5%
State and Local Income Taxes	2.1%	1.7%	0.4%	2.1%	5.0%	-2.9%
Change to a Taxable Corporation	—	2.0%	-2.0%	—	6.8%	-6.8%
Change in Valuation Allowance	—	-7.4%	7.4%	-5.5%	-13.1%	7.6%
Other (a)	-0.2%	-0.7%	0.5%	—	3.8%	-3.8%
Effective Income Tax Rate	12.5%	5.6%	6.9%	7.3%	16.7%	-9.4%

(a) Effective June 30, 2021, Blackstone recategorized certain components of its effective income tax reconciliation. Accordingly, certain components related to income attributable to non-controlling interest holders were recategorized from Income Passed Through to Non-Controlling Interest Holders to Other. Prior periods have been recast accordingly. The recategorization had no effect on Blackstone’s Provision for Taxes.

(b) Includes income that was not taxable to Blackstone and its subsidiaries. Such income remains taxable to Blackstone’s non-controlling interest holders.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

Blackstone's Provision for Taxes for the three months ended September 30, 2021 and 2020 was $458.9 million and $101.0 million, respectively. This resulted in an effective tax rate of 12.5% and 5.6%, respectively, based on our Income Before Provision for Taxes of $3.7 billion and $1.8 billion, respectively.

The increase in Blackstone's effective tax rate for the three months ended September 30, 2021 compared to the three months ended September 30, 2020, was primarily as a result of no benefit being recorded for any change in valuation allowance related to the step up in tax basis in investment assets.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

Blackstone's Provision for Taxes for the nine months ended September 30, 2021 and 2020 was $746.7 million and $89.7 million, respectively. This resulted in an effective tax rate of 7.3% and 16.7%, respectively, based on our Income (Loss) Before Provision for Taxes of $10.2 billion and $537.0 million, respectively.

The decrease in Blackstone's effective tax rate for the nine months ended September 30, 2021, compared to the nine months ended September 30, 2020, resulted primarily from the attribution of a portion of reported net income (loss) before taxes to non-controlling interest holders, the Conversion and state taxes. This decrease was partially offset by additional valuation allowance releases related to the step-up in the tax basis of investment assets.

Additional information regarding our income taxes can be found in Note 13. "Income Taxes" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Non-Controlling Interests in Consolidated Entities

The Net Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities and Net Income Attributable to Non-Controlling Interests in Consolidated Entities is attributable to the consolidated Blackstone Funds. The amounts of these items vary directly with the performance of the consolidated Blackstone Funds and largely eliminate the amount of Other Income (Loss) – Net Gains (Losses) from Fund Investment Activities from the Net Income (Loss) Attributable to Blackstone Inc.

Net Income Attributable to Non-Controlling Interests in Blackstone Holdings is derived from the Income Before Provision (Benefit) for Taxes at the Blackstone Holdings level, excluding the Net Gains (Losses) from Fund Investment Activities and the percentage allocation of the income between Blackstone personnel and others who are limited partners of Blackstone Holdings and Blackstone after considering any contractual arrangements that govern the allocation of income such as fees allocable to Blackstone.

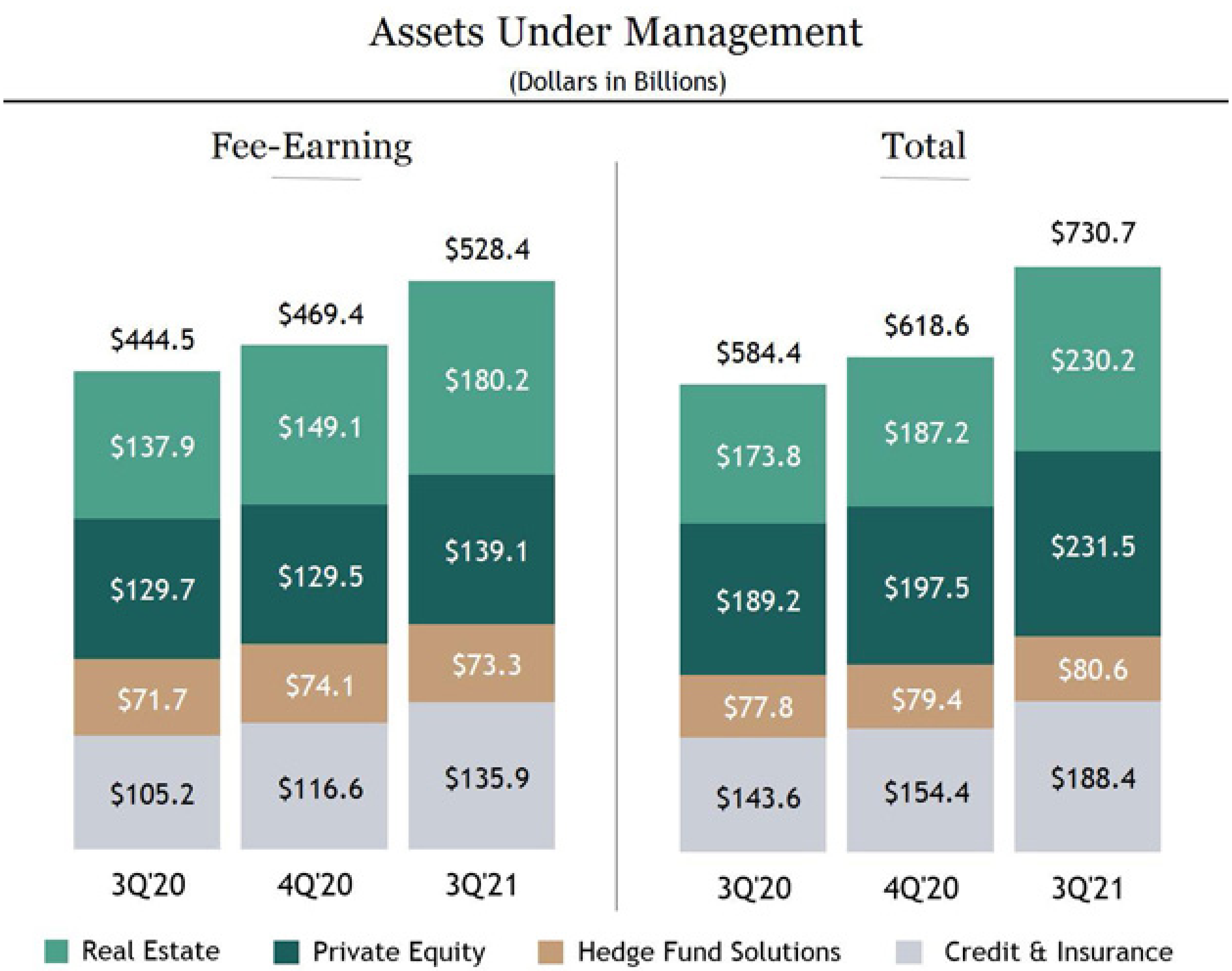
For the three months ended September 30, 2021 and 2020, the Net Income Before Taxes allocated to Blackstone personnel and others who are limited partners of Blackstone Holdings was 41.2% and 42.5%, respectively. For the nine months ended September 30, 2021 and 2020, the Net Income Before Taxes allocated to Blackstone personnel and others who are limited partners of Blackstone Holdings was 41.5% and 42.8%, respectively. The respective decreases of 1.3% were primarily due to the conversion of Blackstone Holdings Partnership Units to shares of common stock and the vesting of shares of common stock.

The Other Income (Loss) — Change in Tax Receivable Agreement Liability was entirely allocated to Blackstone Inc.

Operating Metrics

Total and Fee-Earning Assets Under Management

The following graphs and tables summarize the Fee-Earning Assets Under Management by Segment and Total Assets Under Management by Segment, followed by a rollforward of activity for the three and nine months ended September 30, 2021 and 2020. For a description of how Assets Under Management and Fee-Earning Assets Under Management are determined, please see "— Key Financial Measures and Indicators — Operating Metrics — Total and Fee-Earning Assets Under Management":



Note: Totals may not add due to rounding.

	Three Months Ended									
	September 30, 2021					September 30, 2020				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
	(Dollars in Thousands)									
Fee-Earning Assets Under Management										
Balance, Beginning of Period	$166,263,493	$132,475,486	$72,240,152	$127,953,395	$498,932,526	$134,260,348	$129,284,112	$70,200,141	$102,081,334	$435,825,935
Inflows (a)	13,568,086	8,372,265	3,011,092	12,022,947	36,974,390	2,699,443	3,484,762	1,212,210	4,395,110	11,791,525
Outflows (b)	(821,127)	(822,292)	(2,282,247)	(1,914,543)	(5,840,209)	(598,167)	(348,264)	(1,597,334)	(2,225,960)	(4,769,725)
Net Inflows (Outflows)	12,746,959	7,549,973	728,845	10,108,404	31,134,181	2,101,276	3,136,498	(385,124)	2,169,150	7,021,800
Realizations (c)	(4,228,169)	(2,649,349)	(413,232)	(1,780,911)	(9,071,661)	(1,434,732)	(1,599,451)	(191,067)	(868,061)	(4,093,311)
Market Activity (d)(g)	5,385,810	1,704,148	711,084	(383,538)	7,417,504	2,950,748	(1,119,411)	2,075,843	1,849,474	5,756,654
Balance, End of Period (e)	$180,168,093	$139,080,258	$73,266,849	$135,897,350	$528,412,550	$137,877,640	$129,701,748	$71,699,793	$105,231,897	$444,511,078
Increase	$ 13,904,600	$ 6,604,772	$ 1,026,697	$ 7,943,955	$ 29,480,024	$ 3,617,292	$ 417,636	$ 1,499,652	$ 3,150,563	$ 8,685,143
Increase	8%	5%	1%	6%	6%	3%	—	2%	3%	2%

	Nine Months Ended									
	September 30, 2021					September 30, 2020				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
	(Dollars in Thousands)									
Fee-Earning Assets Under Management										
Balance, Beginning of Period	$149,121,461	$129,539,630	$ 74,126,610	$116,645,413	$469,433,114	$128,214,137	$ 97,773,964	$75,636,004	$106,450,747	$408,074,852
Inflows (a)	31,963,738	15,161,253	6,811,947	34,943,855	88,880,793	15,700,961	42,791,555	7,059,855	12,583,218	78,135,589
Outflows (b)	(2,246,364)	(1,887,923)	(11,905,577)	(9,532,557)	(25,572,421)	(2,339,240)	(5,906,383)	(8,797,597)	(7,047,417)	(24,090,637)
Net Inflows (Outflows)	29,717,374	13,273,330	(5,093,630)	25,411,298	63,308,372	13,361,721	36,885,172	(1,737,742)	5,535,801	54,044,952
Realizations (c)	(9,153,366)	(9,024,609)	(896,526)	(9,057,779)	(28,132,280)	(5,130,844)	(3,642,967)	(838,012)	(3,376,479)	(12,988,302)
Market Activity (d)(h)	10,482,624	5,291,907	5,130,395	2,898,418	23,803,344	1,432,626	(1,314,421)	(1,360,457)	(3,378,172)	(4,620,424)
Balance, End of Period (e)	$180,168,093	$139,080,258	$ 73,266,849	$135,897,350	$528,412,550	$137,877,640	$129,701,748	$71,699,793	$105,231,897	$444,511,078
Increase (Decrease)	$ 31,046,632	$ 9,540,628	$ (859,761)	$ 19,251,937	$ 58,979,436	$ 9,663,503	$ 31,927,784	$ (3,936,211)	$ (1,218,850)	$ 36,436,226
Increase (Decrease)	21%	7%	-1%	17%	13%	8%	33%	-5%	-1%	9%
Annualized Base Management Fee Rate (f)	1.12%	1.11%	0.83%	0.56%	0.93%	1.15%	0.96%	0.80%	0.58%	0.90%

	Three Months Ended									
	September 30, 2021					September 30, 2020				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
	(Dollars in Thousands)									
Total Assets Under Management										
Balance, Beginning of Period	$207,548,236	$223,621,359	$79,145,263	$173,713,854	$684,028,712	$166,723,844	$184,118,135	$75,668,139	$137,819,970	$564,330,088
Inflows (a)	16,045,781	7,355,730	3,341,522	19,997,259	46,740,292	3,872,574	3,942,139	1,717,874	5,605,092	15,137,679
Outflows (b)	(1,116,933)	(449,214)	(2,358,568)	(2,643,752)	(6,568,467)	(1,655,318)	(545,896)	(1,664,698)	(1,678,614)	(5,544,526)
Net Inflows	14,928,848	6,906,516	982,954	17,353,507	40,171,825	2,217,256	3,396,243	53,176	3,926,478	9,593,153
Realizations (c)	(7,048,140)	(10,815,305)	(422,694)	(3,466,302)	(21,752,441)	(1,854,440)	(4,665,183)	(192,729)	(1,225,152)	(7,937,504)
Market Activity (d)(i)	14,754,291	11,808,232	896,734	755,359	28,214,616	6,709,934	6,304,621	2,260,127	3,115,794	18,390,476
Balance, End of Period (e)	$230,183,235	$231,520,802	$80,602,257	$188,356,418	$730,662,712	$173,796,594	$189,153,816	$77,788,713	$143,637,090	$584,376,213
Increase	$ 22,634,999	$ 7,899,443	$ 1,456,994	$ 14,642,564	$ 46,634,000	$ 7,072,750	$ 5,035,681	$ 2,120,574	$ 5,817,120	$ 20,046,125
Increase	11%	4%	2%	8%	7%	4%	3%	3%	4%	4%

	Nine Months Ended									
	September 30, 2021					September 30, 2020				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
	(Dollars in Thousands)									
Total Assets Under Management										
Balance, Beginning of Period	$187,191,247	$197,549,222	$ 79,422,869	$154,393,590	$618,556,928	$163,156,064	$182,886,109	$80,738,112	$144,342,178	$571,122,463
Inflows (a)	33,506,903	22,522,400	7,605,641	51,990,890	115,625,834	21,410,378	18,013,698	8,288,396	15,006,778	62,719,250
Outflows (b)	(3,505,186)	(2,277,970)	(11,280,914)	(11,152,173)	(28,216,243)	(3,162,867)	(1,613,171)	(9,164,596)	(6,866,875)	(20,807,509)
Net Inflows (Outflows)	30,001,717	20,244,430	(3,675,273)	40,838,717	87,409,591	18,247,511	16,400,527	(876,200)	8,139,903	41,911,741
Realizations (c)	(14,307,719)	(27,541,846)	(920,598)	(13,483,353)	(56,253,516)	(6,637,440)	(9,686,514)	(848,559)	(4,504,487)	(21,677,000)
Market Activity (d)(j)(k)	27,297,990	41,268,996	5,775,259	6,607,464	80,949,709	(969,541)	(446,306)	(1,224,640)	(4,340,504)	(6,980,991)
Balance, End of Period (e)	$230,183,235	$231,520,802	$ 80,602,257	$188,356,418	$730,662,712	$173,796,594	$189,153,816	$77,788,713	$143,637,090	$584,376,213
Increase (Decrease)	$ 42,991,988	$ 33,971,580	$ 1,179,388	$ 33,962,828	$112,105,784	$ 10,640,530	$ 6,267,707	$ (2,949,399)	$ (705,088)	$ 13,253,750
Increase (Decrease)	23%	17%	1%	22%	18%	7%	3%	-4%	—	2%

(a) Inflows represent contributions, capital raised, other increases in available capital (recallable capital and increased side-by-side commitments), purchases, inter-segment allocations and acquisitions.
(b) Outflows represent redemptions, client withdrawals and decreases in available capital (expired capital, expense drawdowns and decreased side-by-side commitments).
(c) Realizations represent realization proceeds from the disposition or other monetization of assets, current income or capital returned to investors from CLOs.
(d) Market activity includes realized and unrealized gains (losses) on portfolio investments and the impact of foreign exchange rate fluctuations.
(e) Total and Fee-Earning Assets Under Management are reported in the segment where the assets are managed.
(f) Annualized Base Management Fee Rate represents annualized year to date Base Management Fee divided by the average of the beginning of year and each quarter end's Fee-Earning Assets Under Management in the reporting period.
(g) For the three months ended September 30, 2021, the impact to Fee-Earning Assets Under Management due to foreign exchange rate fluctuations was $(841.1) million, $(599.5) million and $(1.5) billion for the Real Estate, Credit & Insurance and Total segments, respectively. For the three months ended September 30, 2020, such impact was $1.2 billion, $932.6 million and $2.1 billion for the Real Estate, Credit & Insurance and Total segments, respectively.
(h) For the nine months ended September 30, 2021, the impact to Fee-Earning Assets Under Management due to foreign exchange rate fluctuations was $(1.6) billion, $(468.8) million and $(2.1) billion for the Real Estate, Credit & Insurance and Total segments, respectively. For the nine months ended September 30, 2020, such impact was $983.1 million, $918.3 million and $1.9 billion for the Real Estate, Credit & Insurance and Total segments, respectively.
(i) For the three months ended September 30, 2021, the impact to Total Assets Under Management due to foreign exchange rate fluctuations was $(1.3) billion, $(358.2) million, $(689.2) million and $(2.3) billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively. For the three months ended September 30, 2020, such impact was $2.1 billion, $432.8 million, $1.1 billion and $3.6 billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively.
(j) For the nine months ended September 30, 2021, the impact to Total Assets Under Management due to foreign exchange rate fluctuations was $(2.5) billion, $(620.4) million, $(573.8) million and $(3.7) billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively. For the nine months ended September 30, 2020, such impact was $1.6 billion, $(131.8) million, $1.0 billion and $2.5 billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively.
(k) Effective in the three months ended June 30, 2021, the methodology for Total Assets Under Management was updated to exclude permanent fund leverage where the intended use is not for investing purposes. Funds without an adjustment were either already applying the methodology in reporting Total Assets Under Management or the update was not applicable. Additional detail on these adjustments is included below:

	Nine Months Ended September 30, 2021				
	Real Estate	Private Equity	Hedge Fund Solutions	Credit & Insurance	Total
	(Dollars in Thousands)				
Market Activity	$ 29,124,471	$ 41,268,996	$ 5,775,259	$ 6,607,464	$ 82,776,190
One-Time Methodology Adjustment	(1,826,481)	—	—	—	(1,826,481)
Reported Market Activity	$ 27,297,990	$ 41,268,996	$ 5,775,259	$ 6,607,464	$ 80,949,709

Fee-Earning Assets Under Management

Fee-Earning Assets Under Management were $528.4 billion at September 30, 2021, an increase of $29.5 billion, compared to $498.9 billion at June 30, 2021. The net increase was due to:

- Inflows of $37.0 billion related to:
  - $13.6 billion in our Real Estate segment driven by $7.9 billion from BREIT, $3.4 billion from BREDS due to capital being deployed (this amount was previously reflected in Inflows for Total Assets Under Management at each capital closing of the fund), $1.6 billion from BPP U.S. and co-investment and $572.8 million from BPP Europe and co-investment,
  - $12.0 billion in our Credit & Insurance segment driven by $5.4 billion from direct lending, $3.1 billion from certain liquid credit and MLP strategies, $1.8 billion from CLOs, $853.7 million from our structured products group, $333.6 million from mezzanine funds, $299.6 million from energy strategies, $181.4 million from BIS and $116.1 million from stressed/distressed strategies,
  - $8.4 billion in our Private Equity segment driven by $7.5 billion from corporate private equity (this amount was previously reflected in Inflows for Total Assets Under Management at each capital closing of the fund) and $721.8 million from Tactical Opportunities, and
  - $3.0 billion in our Hedge Fund Solutions segment driven by $1.9 billion from individual investor and specialized solutions, $971.0 million from customized solutions and $168.3 million from commingled products.

- Market activity of $7.4 billion primarily attributable to:
  - $5.4 billion of market appreciation in our Real Estate segment driven by appreciation of $5.5 billion from Core+ real estate and $136.2 million from BREDS (both of which included $552.2 million of foreign exchange depreciation), partially offset by foreign exchange depreciation of $288.9 million from BREP opportunistic funds and co-investment,
  - $1.7 billion of market appreciation in our Private Equity segment driven by $1.7 billion from Strategic Partners.

    For additional information regarding the update to Strategic Partners' fund financial reporting process in the current quarter, see Part I. Item 1. Financial Statements — Note 2. "Summary of Significant Accounting Policies — Equity Method Investments", and
  - $711.1 million of market appreciation in our Hedge Fund Solutions segment driven by returns from BAAM's Principal Solutions Composite of 1.3% gross (1.1% net).

Offsetting these increases were:

- Realizations of $9.1 billion driven by:
  - $4.2 billion in our Real Estate segment driven by $1.7 billion from BREDS, $1.3 billion from BREP opportunistic funds and co-investment and $1.2 billion from Core+ real estate,
  - $2.6 billion in our Private Equity segment driven by $1.0 billion from Strategic Partners, $840.9 million from corporate private equity and $678.3 million from Tactical Opportunities, and
  - $1.8 billion in our Credit & Insurance segment driven by $622.6 million from direct lending, $410.9 million from mezzanine funds, $209.2 million from certain liquid credit and MLP strategies, $186.9 million from stressed/distressed strategies, $178.2 million from energy strategies and $173.1 million from CLOs.

- Outflows of $5.8 billion primarily attributable to:
  - $2.3 billion in our Hedge Fund Solutions segment driven by $1.7 billion from customized solutions and $563.6 million from individual investor and specialized solutions, and
  - $1.9 billion in our Credit & Insurance segment driven by $1.5 billion from certain liquid credit and MLP strategies and $179.4 million from direct lending.

Fee-Earning Assets Under Management were $528.4 billion at September 30, 2021, an increase of $59.0 billion, or 13%, compared to $469.4 billion at December 31, 2020. The net increase was due to:

- Inflows of $88.9 billion related to:
  - $34.9 billion in our Credit & Insurance segment driven by $14.2 billion from direct lending, $8.5 billion from certain liquid credit and MLP strategies, $5.4 billion from CLOs, $2.4 billion from BIS, $2.2 billion from our structured products group, $1.2 billion from mezzanine funds, $604.5 million from energy strategies and $465.2 million from stressed/distressed strategies,
  - $32.0 billion in our Real Estate segment driven by $16.8 billion from BREIT, $9.3 billion from BREDS due to capital being deployed (this amount was previously reflected in Inflows for Total Assets Under Management at each capital closing of the fund), $2.3 billion from BPP Life Sciences, $2.2 billion from BPP U.S. and co-investment, $1.0 billion from BPP Europe and co-investment, $407.3 million from BREP opportunistic funds and co-investment and $393.8 million from BPP Asia and co-investment,
  - $15.2 billion in our Private Equity segment driven by $10.0 billion from corporate private equity (this amount was previously reflected in Inflows for Total Assets Under Management at each capital closing of the fund), $1.9 billion from Tactical Opportunities, $1.4 billion from BXG and $1.2 billion from Strategic Partners, and
  - $6.8 billion in our Hedge Fund Solutions segment driven by $4.4 billion from individual investor and specialized solutions, $1.7 billion from customized solutions and $715.4 million from commingled products.

- Market activity of $23.8 billion primarily attributable to:
  - $10.5 billion of market appreciation in our Real Estate segment driven by appreciation of $10.8 billion from Core+ real estate and $337.3 million from BREDS (both of which included $948.2 million of foreign exchange depreciation), partially offset by foreign exchange depreciation of $670.2 million from BREP opportunistic funds and co-investment,
  - $5.3 billion of market appreciation in our Private Equity segment driven by $3.8 billion from Strategic Partners and $1.5 billion from BIP.

    For additional information regarding the update to Strategic Partners' fund financial reporting process in the current quarter, see Part I. Item 1. Financial Statements — Note 2. "Summary of Significant Accounting Policies — Equity Method Investments",
  - $5.1 billion of market appreciation in our Hedge Fund Solutions segment driven by returns from BAAM's Principal Solutions Composite of 7.3% gross (6.5% net), and
  - $2.9 billion of market appreciation in our Credit & Insurance segment driven by appreciation of $2.6 billion from certain liquid credit and MLP strategies, $515.9 million from direct lending and $118.7 million from stressed/distressed strategies, partially offset by market depreciation of $193.0 million from CLOs and $117.8 million from energy strategies, all of which included $468.8 million of foreign exchange depreciation across the segment.

Offsetting these increases were:

- Realizations of $28.1 billion primarily driven by:

  - o $9.2 billion in our Real Estate segment driven by $3.4 billion from BREDS, $3.1 billion from BREP opportunistic funds and co-investment and $2.7 billion from Core+ real estate,
  - o $9.1 billion in our Credit & Insurance segment driven by $3.1 billion from CLOs, $2.4 billion from direct lending, $1.3 billion from mezzanine funds, $1.2 billion from stressed/distressed strategies, $533.2 million from energy strategies and $528.3 million from certain liquid credit and MLP strategies, and
  - o $9.0 billion in our Private Equity segment driven by $3.2 billion from Strategic Partners, $3.2 billion from corporate private equity and $2.3 billion from Tactical Opportunities.

- Outflows of $25.6 billion primarily attributable to:

  - o $11.9 billion in our Hedge Fund Solutions segment driven by $8.4 billion from customized solutions, $2.1 billion from individual investor and specialized solutions and $1.4 billion from commingled products,
  - o $9.5 billion in our Credit & Insurance segment driven by $5.4 billion from certain liquid credit and MLP strategies, $2.7 billion from BIS, $494.7 million from CLOs, $319.3 million from stressed/distressed strategies and $215.5 million from our structured products group,
  - o $2.2 billion in our Real Estate segment driven by $1.1 billion from BREIT, $714.8 million from BPP U.S. and co-investment and $367.0 million from BREDS, and
  - o $1.9 billion in our Private Equity segment driven by $661.7 million from Tactical Opportunities, $550.1 million from multi-asset products, $411.5 million from corporate private equity and $248.7 million from Strategic Partners.

Total Assets Under Management

Total Assets Under Management were $730.7 billion at September 30, 2021, an increase of $46.6 billion, compared to $684.0 billion at June 30, 2021. The net increase was due to:

- Inflows of $46.7 billion primarily related to:

  - o $20.0 billion in our Credit & Insurance segment driven by $13.2 billion from direct lending (which exceeds Fee-Earning Assets Under Management inflows principally due to certain funds charging fees on net assets versus gross assets), $3.1 billion from certain liquid credit and MLP strategies, $2.1 billion from CLOs, $1.6 billion from BIS, $986.8 million from mezzanine funds, $197.1 million from our structured products group and $164.9 million from stressed/distressed strategies, all partially offset by $1.4 billion of allocations to various strategies and other segments,
  - o $16.0 billion in our Real Estate segment driven by $7.9 billion from BREIT, $4.6 billion from BREP opportunistic funds, $1.7 billion from BPP U.S. and co-investment, $1.2 billion from BREDS and $636.0 million from BPP Europe and co-investment,
  - o $7.4 billion in our Private Equity segment driven by $3.6 billion from Tactical Opportunities, $1.8 billion from corporate private equity, $1.2 billion from Strategic Partners and $534.9 million from BXLS, and
  - o $3.3 billion in our Hedge Fund Solutions segment driven by $2.6 billion from individual investor and specialized solutions, $567.6 million from customized solutions and $181.8 million from commingled products.

- Market activity of $28.2 billion primarily driven by:
  - o $14.8 billion of market appreciation in our Real Estate segment driven by carrying value increases in BREP opportunistic and Core+ real estate of 16.2% and 7.6%, during the quarter, respectively, which includes $1.3 billion of foreign exchange depreciation across the segment, and
  - o $11.8 billion of market appreciation in our Private Equity segment driven by carrying value increases in corporate private equity, Strategic Partners and Tactical Opportunities of 9.9%, 24.6% and 2.3%, during the quarter, respectively, which includes $358.2 million of foreign exchange depreciation across the segment.

    Effective September 30, 2021, Strategic Partners' fund financial reporting process was updated. As a result, the increase in Strategic Partners' carrying value for the three months ended September 30, 2021 includes the economic and market activity of two quarters. If the updated Strategic Partners' fund financial reporting process had been in place in prior periods, Strategic Partners' carrying value would have increased 17.0% for the three months ended September 30, 2021. See Part I. Item 1. Financial Statements — Note 2. "Summary of Significant Accounting Policies — Equity Method Investments" for additional information.

Total Assets Under Management market activity in our Real Estate and Private Equity segments generally represents the change in fair value of the investments held and typically exceeds the Fee-Earning Assets Under Management market activity.

Offsetting these increases were:

- Realizations of $21.8 billion primarily driven by:
  - o $10.8 billion in our Private Equity segment driven by $5.9 billion from corporate private equity, $2.5 billion from Strategic Partners and $2.3 billion from Tactical Opportunities,
  - o $7.0 billion in our Real Estate segment driven by $5.2 billion from BREP opportunistic funds and co-investment, $1.2 billion from Core+ real estate and $601.7 million from BREDS, and
  - o $3.5 billion in our Credit & Insurance segment driven by $1.6 billion from direct lending, $713.0 million from mezzanine funds, $325.2 million from energy strategies, $320.8 million from CLOs, $280.5 million from stressed/distressed strategies and $226.3 million from certain liquid credit and MLP strategies.

Total Assets Under Management realizations in our Real Estate and Private Equity segments generally represents the total proceeds and typically exceeds the Fee-Earning Assets Under Management realizations which generally represents only the invested capital.

- Outflows of $6.6 billion primarily attributable to:
  - o $2.6 billion in our Credit & Insurance segment driven by $1.8 billion from certain liquid credit and MLP strategies, $421.7 million from direct lending, $236.2 million from mezzanine funds and $133.2 million from CLOs,
  - o $2.4 billion in our Hedge Fund Solutions segment driven by $1.7 billion from customized solutions and $572.2 million from individual investor and specialized solutions, and
  - o $1.1 billion in our Real Estate segment driven by $595.1 million from Core+ real estate and $477.1 million from BREDS.

Total Assets Under Management were $730.7 billion at September 30, 2021, an increase of $112.1 billion, or 18%, compared to $618.6 billion at December 31, 2020. The net increase was due to:

- Inflows of $115.6 billion primarily related to:
  - $52.0 billion in our Credit & Insurance segment driven by $29.8 billion from direct lending (which exceeds Fee-Earning Assets Under Management inflows principally due to certain funds charging fees on net assets versus gross assets), $8.4 billion from certain liquid credit and MLP strategies, $5.8 billion from CLOs, $2.9 billion from our structured products group, $2.5 billion from mezzanine funds and $2.2 billion from BIS,
  - $33.5 billion in our Real Estate segment driven by $17.2 billion from BREIT, $5.1 billion from BREP opportunistic funds, $4.3 billion from BPP Life Sciences, $2.7 billion from BREDS, $2.3 billion from BPP U.S. and co-investment, $1.7 billion from BPP Europe and co-investment and $305.6 million from BPP Asia and co-investment,
  - $22.5 billion in our Private Equity segment driven by $8.0 billion from corporate private equity, $5.9 billion from Tactical Opportunities, $5.3 billion from Strategic Partners, $2.1 billion from BXG, $614.8 million from BXLS and $524.0 million from multi-asset products, and
  - $7.6 billion in our Hedge Fund Solutions segment driven by $5.6 billion from individual investor and specialized solutions, $1.2 billion from customized solutions and $803.0 million from commingled products.

- Market activity of $80.9 billion primarily driven by:
  - $41.3 billion of market appreciation in our Private Equity segment driven by carrying value increases in corporate private equity, Strategic Partners and Tactical Opportunities of 38.3%, 54.6% and 23.3%, during the year, respectively, which includes $620.4 million of foreign exchange depreciation across the segment.

    Effective September 30, 2021, Strategic Partners' fund financial reporting process was updated. As a result, the increase in Strategic Partners' carrying value for the nine months ended September 30, 2021 includes the economic and market activity of four quarters. If the updated Strategic Partners' fund financial reporting process had been in place in prior periods, Strategic Partners' carrying value would have increased 41.7% for the nine months ended September 30, 2021. See Part I. Item 1. Financial Statements — Note 2. "Summary of Significant Accounting Policies — Equity Method Investments" for additional information,
  - $27.3 billion of market appreciation in our Real Estate segment driven by carrying value increases in BREP opportunistic and Core+ real estate of 31.6% and 17.1%, during the year, respectively, which includes $2.5 billion of foreign exchange depreciation across the segment,
  - $6.6 billion of market appreciation in our Credit & Insurance segment driven by appreciation of $3.0 billion from certain liquid credit and MLP strategies, $1.3 billion from direct lending, $1.0 billion from mezzanine funds, $887.3 million from energy strategies and $616.0 million from stressed/distressed strategies, all of which included $573.8 million of foreign exchange depreciation across the segment, and
  - $5.8 billion of market appreciation in our Hedge Fund Solutions segment driven by reasons noted above in Fee-Earning Assets Under Management.

Total Assets Under Management market activity in our Real Estate and Private Equity segments generally represents the change in fair value of the investments held and typically exceeds the Fee-Earning Assets Under Management market activity.

Offsetting these increases were:

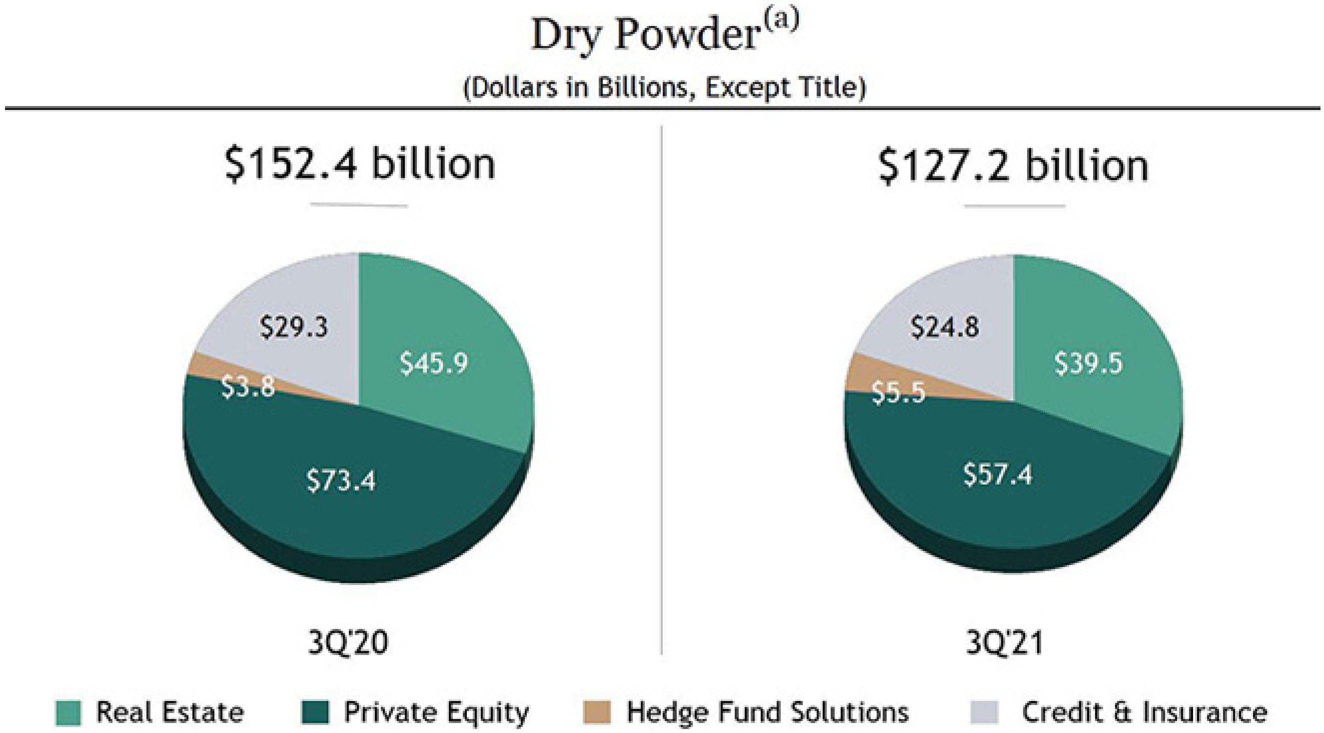
- Realizations of $56.3 billion primarily driven by:
  - $27.5 billion in our Private Equity segment driven by $13.7 billion from corporate private equity, $6.7 billion from Strategic Partners, $6.3 billion from Tactical Opportunities, $382.3 million from BXG, $216.3 million from BIP and $191.2 million from BXLS,
  - $14.3 billion in our Real Estate segment driven by $10.1 billion from BREP opportunistic and co-investment, $2.7 billion from Core+ real estate and $1.4 billion from BREDS, and
  - $13.5 billion in our Credit & Insurance segment driven by $4.3 billion from direct lending, $3.2 billion from CLOs, $2.6 billion from mezzanine funds, $1.9 billion from stressed/distressed strategies, $898.3 million from energy strategies and $573.8 million from certain liquid credit and MLP strategies.

Total Assets Under Management realizations in our Real Estate and Private Equity segments generally represents the total proceeds and typically exceeds the Fee-Earning Assets Under Management realizations which generally represents only the invested capital.

- Outflows of $28.2 billion primarily attributable to:
  - $11.3 billion in our Hedge Fund Solutions segment driven by $7.4 billion from customized solutions, $2.4 billion from individual investor and specialized solutions and $1.6 billion from commingled products,
  - $11.2 billion in our Credit & Insurance segment driven by $5.8 billion from certain liquid credit and MLP strategies, $2.6 billion from BIS, $1.0 billion from direct lending, $720.2 million from CLOs, $217.9 million from stressed/distressed strategies and $200.1 million from our structured products group,
  - $3.5 billion in our Real Estate segment driven by $1.9 billion from Core+ real estate, $1.2 billion from BREDS and $409.7 million from BREP opportunistic funds and co-investment, and
  - $2.3 billion in our Private Equity segment driven by $991.9 million from Tactical Opportunities, $629.7 million from Strategic Partners, $250.0 million from multi-asset products and $196.4 million from corporate private equity.

Dry Powder

The following presents our Dry Powder as of quarter end of each period:



Note: Totals may not add due to rounding.

(a) Represents illiquid drawdown funds, a component of Perpetual Capital and fee-paying co-investments; includes fee-paying third party capital as well as general partner and employee capital that does not earn fees. Amounts are reduced by outstanding capital commitments, for which capital has not yet been invested.

Net Accrued Performance Revenues

The following table presents the Accrued Performance Revenues, net of performance compensation, of the Blackstone Funds as of September 30, 2021 and 2020. Net Accrued Performance Revenues excludes Performance Revenues realized but not yet distributed as of the respective quarter end and clawback amounts, if any, which are disclosed in Note 17. “Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback)” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements” of this filing. See “— Non-GAAP Financial Measures” for our reconciliation of Net Accrued Performance Revenues.

	September 30,	
	2021	2020
	(Dollars in Millions)	
Real Estate		
BREP IV	$ 22	$ 8
BREP V	44	7
BREP VI	34	46
BREP VII	476	238
BREP VIII	713	782
BREP IX	551	90
BREP Europe IV	90	104
BREP Europe V	476	179
BREP Europe VI	176	—
BREP Asia I	112	102
BREP Asia II	116	—
BPP	362	227
BREIT	513	—
BREDS	40	6
BTAS	23	42
Total Real Estate (a)	3,747	1,831
Private Equity		
BCP IV	8	19
BCP V	57	—
BCP VI	561	668
BCP VII	1,278	458
BCP VIII	216	—
BCP Asia I	407	40
BEP I	33	23
BEP III	64	—
BCEP I	198	85
Tactical Opportunities	296	138
BXG	45	9
Strategic Partners	430	76
BIP	79	—
BXLS	33	7
BTAS/Other	195	20
Total Private Equity (a)	3,899	1,544
Hedge Fund Solutions	362	54
Credit & Insurance	302	121
Total Blackstone Net Accrued Performance Revenues	$ 8,311	$ 3,550

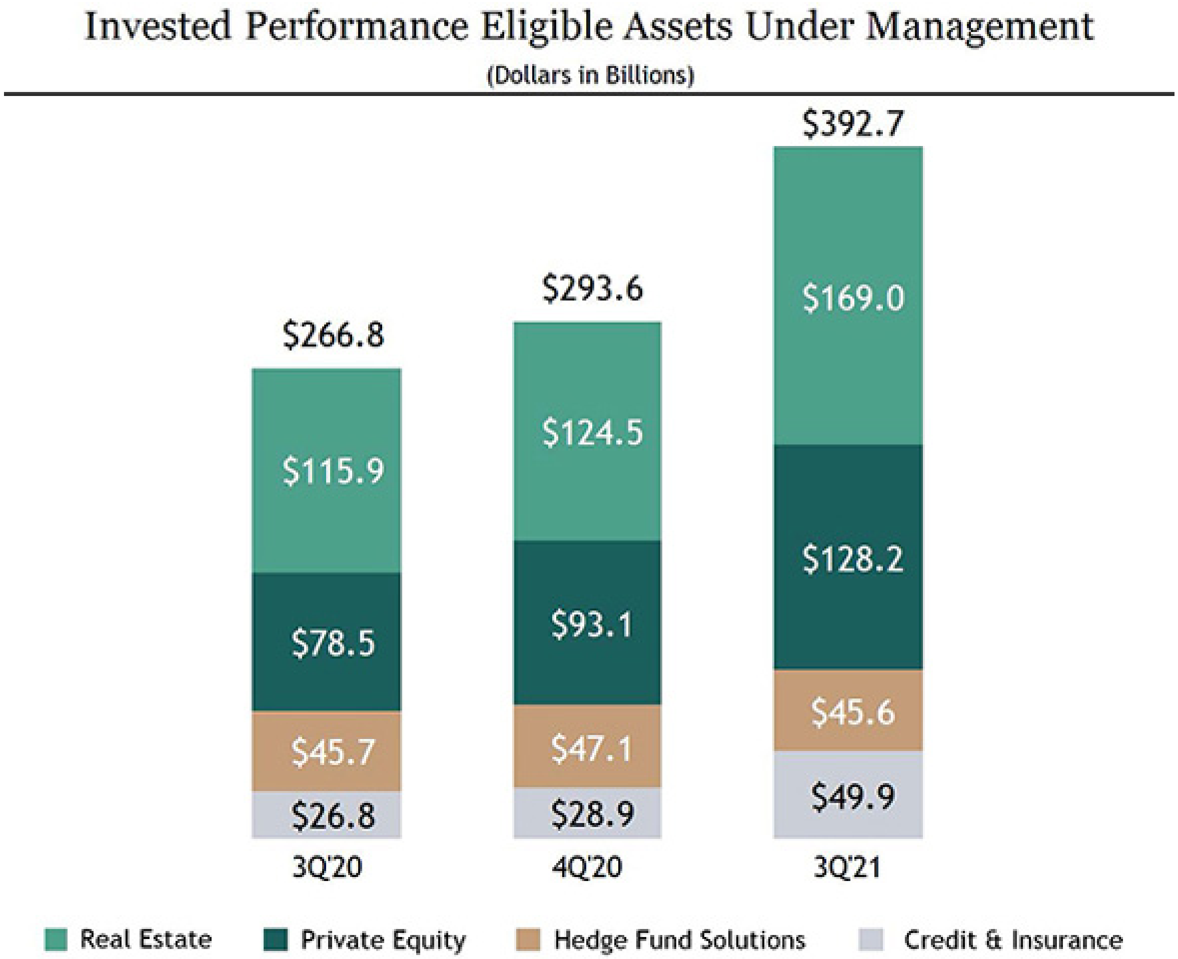
Note: Totals may not add due to rounding.

(a) Real Estate and Private Equity include co-investments, as applicable.

For the twelve months ended September 30, 2021, Net Accrued Performance Revenues receivable increased due to Net Performance Revenues of $7.5 billion offset by net realized distributions of $2.7 billion.

Invested Performance Eligible Assets Under Management

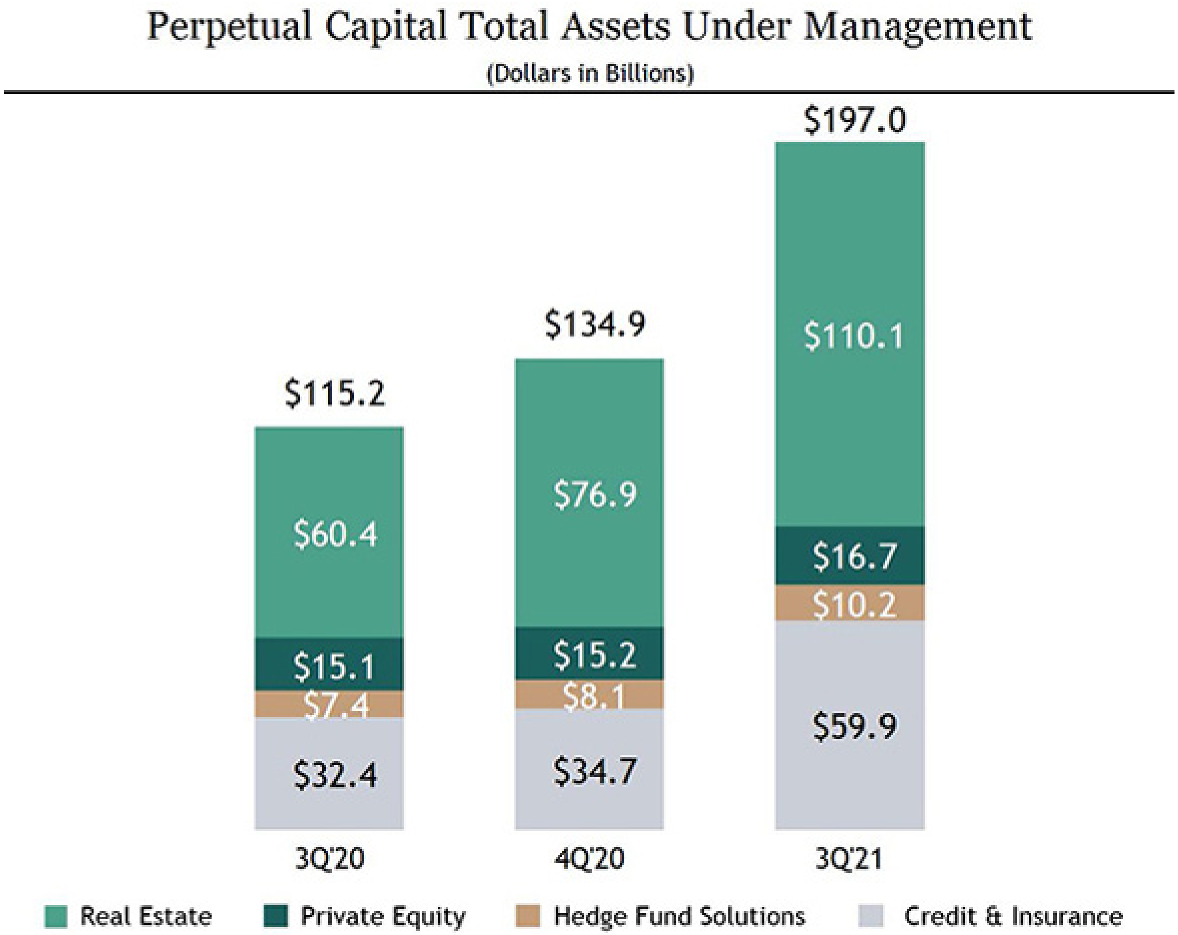
The following presents our Invested Performance Eligible Assets Under Management as of quarter end for each period:



Note: Totals may not add due to rounding.

Perpetual Capital

The following presents our Perpetual Capital Total Assets Under Management as of quarter end for each period:



Note: Totals may not add due to rounding.

Investment Records

Fund returns information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following table presents the investment record of our significant funds from inception through September 30, 2021:

Fund (Investment Period Beginning Date / Ending Date) (a)	Committed Capital	Available Capital (b)	Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)	
			Value	MOIC (c)	% Public	Value	MOIC (c)	Value	MOIC (c)	Realized	Total
			(Dollars/Euros in Thousands, Except Where Noted)								
Real Estate											
Pre-BREP	$ 140,714	$ —	$ —	n/a	—	$ 345,190	2.5x	$ 345,190	2.5x	33%	33%
BREP I (Sep 1994 / Oct 1996)	380,708	—	—	n/a	—	1,327,708	2.8x	1,327,708	2.8x	40%	40%
BREP II (Oct 1996 / Mar 1999)	1,198,339	—	—	n/a	—	2,531,614	2.1x	2,531,614	2.1x	19%	19%
BREP III (Apr 1999 / Apr 2003)	1,522,708	—	—	n/a	—	3,330,406	2.4x	3,330,406	2.4x	21%	21%
BREP IV (Apr 2003 / Dec 2005)	2,198,694	—	84,502	1.7x	65%	4,579,740	1.7x	4,664,242	1.7x	13%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	230,597	229,254	1.6x	94%	13,214,326	2.3x	13,443,580	2.3x	11%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	550,484	375,481	2.0x	77%	27,371,647	2.5x	27,747,128	2.5x	13%	13%
BREP VII (Aug 2011 / Apr 2015)	13,496,823	1,525,932	7,320,750	1.6x	4%	23,391,546	2.1x	30,712,296	2.0x	22%	15%
BREP VIII (Apr 2015 / Jun 2019)	16,576,617	2,571,289	14,852,933	1.5x	—	16,977,295	2.4x	31,830,228	1.9x	29%	17%
*BREP IX (Jun 2019 / Dec 2024)	21,007,890	9,955,631	16,356,581	1.5x	6%	2,543,821	1.9x	18,900,402	1.5x	n/m	36%
Total Global BREP	$ 73,122,355	$ 14,833,933	$ 39,219,501	1.5x	5%	$ 95,613,293	2.3x	$ 134,832,794	2.0x	18%	16%
BREP Int'l (Jan 2001 / Sep 2005)	€ 824,172	€ —	€ —	n/a	—	€ 1,373,170	2.1x	€ 1,373,170	2.1x	23%	23%
BREP Int'l II (Sep 2005 / Jun 2008) (e)	1,629,748	—	—	n/a	—	2,576,670	1.8x	2,576,670	1.8x	8%	8%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,167	463,195	339,646	0.5x	—	5,738,120	2.5x	6,077,766	2.1x	20%	14%
BREP Europe IV (Sep 2013 / Dec 2016)	6,675,950	1,345,550	1,946,782	1.3x	—	9,547,188	2.0x	11,493,970	1.8x	20%	14%
BREP Europe V (Dec 2016 / Oct 2019)	7,937,730	1,597,804	8,890,814	1.6x	—	2,182,232	2.7x	11,073,046	1.7x	41%	14%
*BREP Europe VI (Oct 2019 / Apr 2025)	9,838,021	6,004,179	5,294,958	1.4x	1%	288,935	1.7x	5,583,893	1.4x	49%	29%
Total BREP Europe	€ 30,110,788	€ 9,410,728	€ 16,472,200	1.4x	—	€ 21,706,315	2.1x	€ 38,178,515	1.8x	16%	13%

continued...

Fund (Investment Period Beginning Date / Ending Date) (a)	Committed Capital	Available Capital (b)	Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)	
			Value	MOIC (c)	% Public	Value	MOIC (c)	Value	MOIC (c)	Realized	Total
	(Dollars/Euros in Thousands, Except Where Noted)										
Real Estate (continued)											
BREP Asia I (Jun 2013 / Dec 2017)	$ 4,261,983	$ 916,830	$ 2,503,201	1.4x	15%	$ 5,897,757	2.1x	$ 8,400,958	1.8x	21%	13%
*BREP Asia II (Dec 2017 / Jun 2023)	7,339,220	3,031,637	5,638,584	1.3x	3%	604,391	1.8x	6,242,975	1.3x	44%	12%
BREP Asia III (TBD)	3,956,850	3,956,850	—	n/a	—	—	n/a	—	n/a	n/a	n/a
BREP Co-Investment (f)	7,055,974	32,023	678,411	1.8x	—	14,930,723	2.2x	15,609,134	2.2x	16%	16%
Total BREP	$ 130,760,742	$ 33,668,896	$ 67,039,516	1.5x	4%	$ 144,113,788	2.2x	$ 211,153,304	1.9x	17%	15%
*Core+ BPP (Various) (g)	$ n/a	$ n/a	$ 52,749,976	n/a	—	$ 9,401,220	n/a	$ 62,151,196	n/a	n/a	10%
*Core+ BREIT (Various) (h)	n/a	n/a	41,902,410	n/a	—	1,222,016	n/a	43,124,426	n/a	n/a	12%
*BREDS High-Yield (Various) (i)	19,990,586	7,561,666	5,374,549	1.1x	—	14,145,200	1.3x	19,519,749	1.2x	11%	10%
Private Equity											
Corporate Private Equity											
BCP I (Oct 1987 / Oct 1993)	$ 859,081	$ —	$ —	n/a	—	$ 1,741,738	2.6x	$ 1,741,738	2.6x	19%	19%
BCP II (Oct 1993 / Aug 1997)	1,361,100	—	—	n/a	—	3,256,819	2.5x	3,256,819	2.5x	32%	32%
BCP III (Aug 1997 / Nov 2002)	3,967,422	—	—	n/a	—	9,184,688	2.3x	9,184,688	2.3x	14%	14%
BCOM (Jun 2000 / Jun 2006)	2,137,330	24,575	16,346	n/a	—	2,953,649	1.4x	2,969,995	1.4x	6%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	176,864	120,893	1.3x	—	21,479,598	2.9x	21,600,491	2.8x	36%	36%
BCP V (Dec 2005 / Jan 2011)	21,009,112	1,035,259	701,207	47.4x	99%	37,876,327	1.9x	38,577,534	1.9x	8%	8%
BCP VI (Jan 2011 / May 2016)	15,202,513	1,378,295	9,056,562	1.8x	39%	21,927,991	2.2x	30,984,553	2.1x	18%	13%
BCP VII (May 2016 / Feb 2020)	18,836,441	1,938,731	26,617,761	1.9x	36%	7,674,654	2.2x	34,292,415	1.9x	31%	21%
*BCP VIII (Feb 2020 / Feb 2026)	25,056,449	19,805,651	8,011,713	1.5x	16%	320,833	2.9x	8,332,546	1.5x	n/m	n/m
Energy I (Aug 2011 / Feb 2015)	2,441,558	174,492	768,066	1.5x	63%	3,631,321	1.9x	4,399,387	1.8x	14%	11%
Energy II (Feb 2015 / Feb 2020)	4,914,563	1,021,332	4,475,639	1.4x	19%	1,222,777	1.0x	5,698,416	1.2x	-7%	3%
*Energy III (Feb 2020 / Feb 2026)	4,273,555	3,134,909	1,866,059	1.7x	50%	260,277	2.2x	2,126,336	1.7x	96%	82%
BCP Asia I (Dec 2017 / Sep 2021)	2,401,426	1,065,744	5,163,068	3.9x	69%	661,489	3.9x	5,824,557	3.9x	94%	84%
*BCP Asia II (Sep 2021 / Sep 2027)	6,009,332	5,996,852	—	n/a	—	—	n/a	—	n/a	n/a	n/a
Core Private Equity I (Jan 2017 / Mar 2021) (j)	4,756,010	1,131,903	7,542,438	2.0x	—	1,284,639	2.3x	8,827,077	2.0x	38%	25%
*Core Private Equity II (Mar 2021 / Mar 2026) (j)	8,178,339	7,669,126	531,171	1.1x	—	—	n/a	531,171	1.1x	n/a	n/m
Total Corporate Private Equity	$ 128,177,413	$ 44,553,733	$ 64,870,923	1.8x	32%	$ 113,476,800	2.1x	$ 178,347,723	2.0x	16%	16%

continued...

Fund (Investment Period Beginning Date / Ending Date) (a)	Committed Capital	Available Capital (b)	Unrealized Investments Value	Unrealized Investments MOIC (c)	Unrealized Investments % Public	Realized Investments Value	Realized Investments MOIC (c)	Total Investments Value	Total Investments MOIC (c)	Net IRRs (d) Realized	Net IRRs (d) Total
	(Dollars/Euros in Thousands, Except Where Noted)										
Private Equity (continued)											
Tactical Opportunities											
*Tactical Opportunities (Various)	$ 22,793,022	$ 7,576,444	$ 14,041,355	1.4x	17%	$ 16,303,649	1.9x	$ 30,345,004	1.6x	19%	13%
*Tactical Opportunities Co-Investment and Other (Various)	12,410,524	4,960,882	4,617,020	1.3x	5%	6,209,151	1.8x	10,826,171	1.5x	19%	17%
Total Tactical Opportunities	$ 35,203,546	$ 12,537,326	$ 18,658,375	1.3x	14%	$ 22,512,800	1.9x	$ 41,171,175	1.6x	19%	14%
*Blackstone Growth (Jul 2020 / Jul 2025)	$ 4,761,851	$ 3,232,049	$ 2,240,854	1.4x	28%	$ 299,451	4.0x	$ 2,540,305	1.5x	n/m	90%
Strategic Partners (Secondaries)											
Strategic Partners I-V (Various) (k)	11,863,351	917,190	639,677	n/a	—	17,356,347	n/a	17,996,024	1.6x	n/a	13%
Strategic Partners VI (Apr 2014 / Apr 2016) (k)	4,362,750	1,380,208	1,430,288	n/a	—	3,667,757	n/a	5,098,045	1.6x	n/a	16%
Strategic Partners VII (May 2016 / Mar 2019) (k)	7,489,970	2,060,914	6,087,919	n/a	—	3,909,313	n/a	9,997,232	1.9x	n/a	23%
Strategic Partners Real Assets II (May 2017 / Jun 2020) (k)	1,749,807	409,161	1,208,965	n/a	—	598,511	n/a	1,807,476	1.3x	n/a	14%
*Strategic Partners VIII (Mar 2019 / Jul 2023) (k)	10,763,600	4,286,329	7,887,716	n/a	—	2,421,810	n/a	10,309,526	1.7x	n/a	57%
*Strategic Partners Real Estate, SMA and Other (Various) (k)	7,878,498	2,371,801	3,375,646	n/a	—	2,096,825	n/a	5,472,471	1.4x	n/a	17%
*Strategic Partners Infra III (Jun 2020 / Jul 2024) (k)	3,250,100	2,508,962	176,077	n/a	—	14,819	n/a	190,896	2.9x	n/a	n/m
Total Strategic Partners (Secondaries)	$ 47,358,076	$ 13,934,565	$ 20,806,288	n/a	—	$ 30,065,382	n/a	$ 50,871,670	1.6x	n/a	16%
*Infrastructure (Various)	$ 13,658,063	$ 7,435,523	$ 7,778,444	1.3x	34%	$ 199,291	n/a	$ 7,977,735	1.3x	n/a	16%
Life Sciences											
Clarus IV (Jan 2018 / Jan 2020)	910,000	225,286	910,982	1.6x	4%	39,952	0.9x	950,934	1.5x	-18%	17%
*BXLS V (Jan 2020 / Jan 2025)	4,779,454	3,733,343	1,291,353	1.4x	9%	—	n/a	1,291,353	1.4x	n/a	21%

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Fund (Investment Period Beginning Date / Ending Date) (a)	Committed Capital	Available Capital (b)	Unrealized Investments			Realized Investments		Total Investments		Net IRRs (d)	
			Value	MOIC (c)	% Public	Value	MOIC (c)	Value	MOIC (c)	Realized	Total
	(Dollars/Euros in Thousands, Except Where Noted)										
Credit											
Mezzanine / Opportunistic I (Jul 2007 / Oct 2011)	$ 2,000,000	$ 97,114	$ 19,839	1.0x	—	$ 4,775,786	1.6x	$ 4,795,625	1.6x	n/a	17%
Mezzanine / Opportunistic II (Nov 2011 / Nov 2016)	4,120,000	1,007,503	925,999	0.7x	—	5,807,890	1.6x	6,733,889	1.4x	n/a	10%
Mezzanine / Opportunistic III (Sep 2016 / Jan 2021)	6,639,133	1,025,006	4,681,761	1.1x	—	4,415,663	1.7x	9,097,424	1.3x	n/a	12%
*Mezzanine / Opportunistic IV (Jan 2021 / Jan 2026)	4,556,271	3,885,152	705,694	1.0x	—	8,817	n/a	714,511	1.0x	n/a	n/m
Stressed / Distressed I (Sep 2009 / May 2013)	3,253,143	76,000	—	n/a	—	5,776,841	1.3x	5,776,841	1.3x	n/a	9%
Stressed / Distressed II (Jun 2013 / Jun 2018)	5,125,000	547,430	629,162	0.7x	—	4,984,957	1.2x	5,614,119	1.1x	n/a	1%
*Stressed / Distressed III (Dec 2017 / Dec 2022)	7,356,380	3,665,909	2,188,533	1.0x	—	2,030,556	1.4x	4,219,089	1.1x	n/a	8%
Energy I (Nov 2015 / Nov 2018)	2,856,867	1,051,129	1,414,948	1.1x	6%	1,647,873	1.6x	3,062,821	1.3x	n/a	8%
*Energy II (Feb 2019 / Feb 2024)	3,616,081	2,432,321	1,388,126	1.2x	—	416,616	1.7x	1,804,742	1.3x	n/a	31%
European Senior Debt I (Feb 2015 / Feb 2019)	€ 1,964,689	€ 268,902	€ 1,321,951	1.0x	—	€ 1,944,977	1.4x	€ 3,266,928	1.2x	n/a	6%
*European Senior Debt II (Jun 2019 / Jun 2024)	€ 4,088,344	€ 2,989,441	€ 2,153,577	1.0x	—	€ 742,653	1.3x	€ 2,896,230	1.1x	n/a	18%
Total Credit Drawdown Funds (l)	$ 46,428,533	$ 17,563,834	$ 15,982,025	1.0x	1%	$ 32,980,483	1.5x	$ 48,962,508	1.3x	n/a	10%
*Direct Lending BDC (Various) (m)	$ 3,926,295	$ —	$ 4,142,452	n/a	—	$ 444,215	n/a	$ 4,586,667	n/a	n/a	10%

The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.

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n/m Not meaningful generally due to the limited time since initial investment.

n/a Not applicable.

SMA Separately managed account.

* Represents funds that are currently in their investment period and open-ended funds.

(a) Excludes investment vehicles where Blackstone does not earn fees.

(b) Available Capital represents total investable capital commitments, including side-by-side, adjusted for certain expenses and expired or recallable capital and may include leverage, less invested capital. This amount is not reduced by outstanding commitments to investments.

(c) Multiple of Invested Capital ("MOIC") represents carrying value, before management fees, expenses and Performance Revenues, divided by invested capital.

(d) Unless otherwise indicated, Net Internal Rate of Return ("IRR") represents the annualized inception to September 30, 2021 IRR on total invested capital based on realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues. IRRs are calculated using actual timing of limited partner cash flows. Initial inception date of cash flows may differ from the Investment Period Beginning Date.

(e) The 8% Realized Net IRR and 8% Total Net IRR exclude investors that opted out of the Hilton investment opportunity. Overall BREP International II performance reflects a 7% Realized Net IRR and a 7% Total Net IRR.

(f) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment's realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.

(g) BPP represents the Core+ real estate funds which invest with a more modest risk profile and lower leverage. Committed Capital and Available Capital are not regularly reported to investors in our Core+ strategy and are not applicable in the context of these funds.

(h) Unrealized Investment Value reflects BREIT's net asset value as of September 30, 2021. Realized Investment Value represents BREIT's cash distributions, net of servicing fees. The BREIT net return reflects a per share blended return, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. These returns are not representative of the returns experienced by any particular investor or share class. Inception to date net returns are presented on an annualized basis and are from January 1, 2017. Committed Capital and Available Capital are not regularly reported to investors in our Core+ strategy and are not applicable in the context of this vehicle.

(i) BREDS High-Yield represents the flagship real estate debt drawdown funds only.

(j) Blackstone Core Equity Partners is a core private equity strategy which invests with a more modest risk profile and longer hold period than traditional private equity.

(k) Realizations are treated as return of capital until fully recovered and therefore unrealized and realized MOICs are not applicable. Returns are calculated from results that are reported on a three month lag from Strategic Partners' fund financial statements and therefore do not include the impact of economic and market activities in the current quarter.

(l) Funds presented represent the flagship credit drawdown funds only. The Total Credit Net IRR is the combined IRR of the credit drawdown funds presented.

(m) Unrealized Investment Value reflects BXSL's net asset value as of September 30, 2021. Realized Investment Value represents BXSL's cash distributions. BXSL's net return is annualized and calculated since inception starting on November 20, 2018, as the change in net asset value ("NAV") per share during the period, plus distributions per share (assuming dividends and distributions are reinvested in accordance with the Company's dividend reinvestment plan) divided by the beginning NAV per share. Does not include BCRED.

Segment Analysis

Discussed below is our Segment Distributable Earnings for each of our segments. This information is reflected in the manner utilized by our senior management to make operating decisions, assess performance and allocate resources. References to “our” sectors or investments may also refer to portfolio companies and investments of the underlying funds that we manage.

Real Estate

The following table presents the results of operations for our Real Estate segment:

	Three Months Ended September 30,		2021 vs. 2020		Nine Months Ended September 30,		2021 vs. 2020	
	2021	2020	$	%	2021	2020	$	%
	(Dollars in Thousands)							
Management Fees, Net								
Base Management Fees	$ 485,308	$ 392,785	$ 92,523	24%	$ 1,366,158	$ 1,146,927	$ 219,231	19%
Transaction and Other Fees, Net	53,876	17,464	36,412	208%	117,975	72,527	45,448	63%
Management Fee Offsets	(446)	(1,039)	593	-57%	(2,562)	(11,816)	9,254	-78%
Total Management Fees, Net	538,738	409,210	129,528	32%	1,481,571	1,207,638	273,933	23%
Fee Related Performance Revenues	35,625	55,327	(19,702)	-36%	224,793	66,383	158,410	239%
Fee Related Compensation	(137,313)	(138,342)	1,029	-1%	(447,762)	(375,278)	(72,484)	19%
Other Operating Expenses	(61,398)	(42,566)	(18,832)	44%	(160,520)	(127,567)	(32,953)	26%
Fee Related Earnings	375,652	283,629	92,023	32%	1,098,082	771,176	326,906	42%
Realized Performance Revenues	495,727	18,872	476,855	n/m	935,418	96,801	838,617	866%
Realized Performance Compensation	(199,100)	(7,343)	(191,757)	n/m	(376,790)	(33,282)	(343,508)	n/m
Realized Principal Investment Income	42,677	4,946	37,731	763%	171,626	13,819	157,807	n/m
Net Realizations	339,304	16,475	322,829	n/m	730,254	77,338	652,916	844%
Segment Distributable Earnings	$ 714,956	$ 300,104	$ 414,852	138%	$ 1,828,336	$ 848,514	$ 979,822	115%

n/m Not meaningful.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

Segment Distributable Earnings were $715.0 million for the three months ended September 30, 2021, an increase of $414.9 million, or 138%, compared to $300.1 million for the three months ended September 30, 2020. The increase in Segment Distributable Earnings was attributable to increases of $92.0 million in Fee Related Earnings and $322.8 million in Net Realizations.

Segment Distributable Earnings in our Real Estate segment in the third quarter of 2021 were higher compared to the third quarter of 2020. This was primarily driven by increased Net Realizations, as well as an increase in Fee Related Earnings due to growth in Fee-Earning Assets Under Management and the crystallization of performance revenues for certain vehicles, partially offset by increases in Fee Related Compensation and Other Operating Expenses. Continued favorable market conditions have contributed to significant realization and capital deployment opportunities. We have also benefited from fundraising momentum in our perpetual capital strategies, which represent an increasing percentage of our Total Assets Under Management. Robust economic activity in the U.S. has supported a continued recovery in certain investments in our real estate portfolio, such as those in hospitality and leisure, that were materially impacted by the COVID-19 pandemic. Inflation in the U.S. continues to show signs of acceleration and is likely to continue in the near- to medium-term. Higher inflation would potentially negatively impact certain real estate assets, such as those with long-term leases that do not provide for short-term rent increases. Our real estate strategies have, however, oriented their portfolios toward investments in markets where we see opportunities for stronger relative growth, with better insulation from inflation pressure. In the U.S., heightened competition for workers, supply chain issues and rising energy prices have contributed to increasing wages and other inputs, which increasingly pressure profit margins. The valuations of certain investments in our Real Estate segment, particularly in the hospitality sector, would potentially be negatively impacted if such companies and assets cannot successfully identify and execute on means to mitigate margin pressures. In addition, if interest rates rise, the cost of debt financing for our real estate businesses and assets will likely increase.

In addition, the Presidential administration and the U.S. Congress may introduce new or enforce existing policies and regulations that may create uncertainty for our business and investment strategies and could have an adverse impact on us and our portfolio companies. Such conditions (which may be across industries, sectors or geographies) may contribute to adverse operating performance, including moderated rent growth in certain markets in our residential portfolio. For example, a top legislative priority of the Presidential administration is significant changes to U.S. tax regulations. The administration has recently proposed a framework that includes, among other changes, a corporate minimum tax and significant modifications to international tax rules. If enacted, such changes could materially increase the amount of taxes we and/or certain of our portfolio companies could be required to pay. See “Part I. Item 1A. Risk Factors — Risks Related to Our Business — The global outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. and global economies and has adversely impacted, and may continue to adversely impact, our performance and results of operations,” “— Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition” and “— A period of economic slowdown, which may be across one or more industries, sectors or geographies, has contributed and could in the future contribute to adverse operating performance for certain of our funds’ investments, which would adversely affect our operating results and cash flows” in our Annual Report on Form 10-K for the year ended December 31, 2020.

Fee Related Earnings

Fee Related Earnings were $375.7 million for the three months ended September 30, 2021, an increase of $92.0 million, or 32%, compared to $283.6 million for the three months ended September 30, 2020. The increase in Fee Related Earnings was primarily attributable to an increase of $129.5 million in Management Fees, Net, partially offset by a decrease of $19.7 million in Fee Related Performance Revenues and an increase of $18.8 million in Other Operating Expenses.

Management Fees, Net were $538.7 million for the three months ended September 30, 2021, an increase of $129.5 million, compared to $409.2 million for the three months ended September 30, 2020, primarily driven by an increase in Base Management Fees. Base Management Fees increased $92.5 million primarily due to Fee-Earning Assets Under Management growth in Core+ real estate.

Fee Related Performance Revenues were $35.6 million for the three months ended September 30, 2021, a decrease of $19.7 million, compared to $55.3 million for the three months ended September 30, 2020. The decrease was primarily due to the timing of BPP’s crystallization schedule.

Other Operating Expenses were $61.4 million for the three months ended September 30, 2021, an increase of $18.8 million, compared to $42.6 million for the three months ended September 30, 2020. The increase was primarily due to occupancy and technology related expenses and professional fees.

Net Realizations

Net Realizations were $339.3 million for the three months ended September 30, 2021, an increase of $322.8 million, compared to $16.5 million for the three months ended September 30, 2020. The increase in Net Realizations was attributable to increases of $476.9 million in Realized Performance Revenues and $37.7 million in Realized Principal Investment Income, partially offset by an increase of $191.8 million in Realized Performance Compensation.

Realized Performance Revenues were $495.7 million for the three months ended September 30, 2021, an increase of $476.9 million, compared to $18.9 million for the three months ended September 30, 2020. The increase was primarily due to higher realized gains in the three months ended September 30, 2021 compared to the three months ended September 30, 2020.

Realized Principal Investment Income was $42.7 million for the three months ended September 30, 2021, an increase of $37.7 million, compared to $4.9 million for the three months ended September 30, 2020. The increase was primarily due to the segment's allocation of the gain recognized from the partial sale of Blackstone's remaining Pátria shares.

Realized Performance Compensation was $199.1 million for the three months ended September 30, 2021, an increase of $191.8 million, compared to $7.3 million for the three months ended September 30, 2020. The increase was primarily due to the increase in Realized Performance Revenues.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

Segment Distributable Earnings were $1.8 billion for the nine months ended September 30, 2021, an increase of $979.8 million, or 115%, compared to $848.5 million for the nine months ended September 30, 2020. The increase in Segment Distributable Earnings was attributable to increases of $326.9 million in Fee Related Earnings and $652.9 million in Net Realizations.

Fee Related Earnings

Fee Related Earnings were $1.1 billion for the nine months ended September 30, 2021, an increase of $326.9 million, or 42%, compared to $771.2 million for the nine months ended September 30, 2020. The increase in Fee Related Earnings was attributable to increases of $273.9 million in Management Fees, Net and $158.4 million in Fee Related Performance Revenues, partially offset by increases of $72.5 million in Fee Related Compensation and $33.0 million in Other Operating Expenses.

Management Fees, Net were $1.5 billion for the nine months ended September 30, 2021, an increase of $273.9 million, compared to $1.2 billion for the nine months ended September 30, 2020, primarily driven by an increase in Base Management Fees. Base Management Fees increased $219.2 million primarily due to Fee-Earning Assets Under Management growth in Core+ real estate and the end of BREP Europe VI's fee holiday in the first quarter of 2020.

Fee Related Performance Revenues were $224.8 million for the nine months ended September 30, 2021, an increase of $158.4 million, compared to $66.4 million for the nine months ended September 30, 2020. The increase was primarily due to crystallization events in the Logicor separately managed account.

Fee Related Compensation was $447.8 million for the nine months ended September 30, 2021, an increase of $72.5 million, compared to $375.3 million for the nine months ended September 30, 2020. The increase was primarily due to increases in Management Fees, Net and Fee Related Performance Revenues, on which a portion of Fee Related Compensation is based.

Other Operating Expenses were $160.5 million for the nine months ended September 30, 2021, an increase of $33.0 million, compared to $127.6 million for the nine months ended September 30, 2020. The increase was primarily due to occupancy and technology related expenses and professional fees.

Net Realizations

Net Realizations were $730.3 million for the nine months ended September 30, 2021, an increase of $652.9 million, or 844%, compared to $77.3 million for the nine months ended September 30, 2020. The increase in Net Realizations was attributable to increases of $838.6 million in Realized Performance Revenues and $157.8 million in Realized Principal Investment Income, partially offset by an increase of $343.5 million in Realized Performance Compensation.

Realized Performance Revenues were $935.4 million for the nine months ended September 30, 2021, an increase of $838.6 million, compared to $96.8 million for the nine months ended September 30, 2020. The increase was primarily due to the higher realized gains in the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020.

Realized Principal Investment Income was $171.6 million for the nine months ended September 30, 2021, an increase of $157.8 million, compared to $13.8 million for the nine months ended September 30, 2020. The increase was primarily due to the segment's allocation of the gain recognized in connection with the Pátria sale transactions in the first quarter of 2021, and the partial sale of Blackstone's remaining Pátria shares in the third quarter of 2021. For additional information on the Pátria sale transactions, see Note 4. "Investments — Equity Method Investments" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements."

Realized Performance Compensation was $376.8 million for the nine months ended September 30, 2021, an increase of $343.5 million, compared to $33.3 million for the nine months ended September 30, 2020. The increase was primarily due to the increase in Realized Performance Revenues.

Fund Returns

Fund return information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following table presents the internal rates of return, except where noted, of our significant real estate funds:

	Three Months Ended September 30,				Nine Months Ended September 30,				September 30, 2021 Inception to Date			
	2021		2020		2021		2020		Realized		Total	
Fund (a)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
BREP VII	26%	22%	-	-	39%	32%	-22%	-20%	30%	22%	22%	15%
BREP VIII	17%	14%	9%	7%	36%	29%	5%	4%	36%	29%	23%	17%
BREP IX	18%	14%	12%	8%	50%	38%	22%	12%	n/m	n/m	51%	36%
BREP Europe IV (b)	1%	1%	-1%	-1%	-	-	-15%	-13%	29%	20%	20%	14%
BREP Europe V (b)	18%	15%	7%	5%	29%	23%	-1%	-2%	49%	41%	20%	14%
BREP Europe VI (b)	25%	19%	3%	-	52%	37%	1%	-11%	80%	49%	46%	29%
BREP Asia I	4%	3%	5%	4%	27%	21%	-11%	-10%	29%	21%	19%	13%
BREP Asia II	6%	4%	4%	2%	23%	15%	-1%	-4%	65%	44%	21%	12%
BREP Co-Investment (c)	19%	18%	12%	12%	48%	44%	27%	26%	18%	16%	18%	16%
BPP (d)	6%	5%	2%	2%	13%	11%	2%	1%	n/a	n/a	12%	10%
BREIT (e)	n/a	8%	n/a	6%	n/a	21%	n/a	2%	n/a	n/a	n/a	12%
BREDS High-Yield (f)	3%	2%	6%	4%	13%	9%	-2%	-4%	15%	11%	15%	10%
BREDS Liquid (g)	2%	1%	5%	5%	10%	10%	-15%	-15%	n/a	n/a	9%	7%
BXMT (h)	n/a	-3%	n/a	-6%	n/a	17%	n/a	-36%	n/a	n/a	n/a	10%

The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.

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n/m Not meaningful generally due to the limited time since initial investment.

n/a Not applicable.

(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Revenues.

(b) Euro-based internal rates of return.

(c) BREP Co-Investment represents co-investment capital raised for various BREP investments. The Net IRR reflected is calculated by aggregating each co-investment's realized proceeds and unrealized value, as applicable, after management fees, expenses and Performance Revenues.

(d) BPP represents the Core+ real estate funds which invest with a more modest risk profile and lower leverage.

(e) Reflects a per share blended return for each respective period, assuming BREIT had a single share class, reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. These returns are not representative of the returns experienced by any particular investor or share class. Inception to date returns are presented on an annualized basis and are from January 1, 2017.

(f) BREDS High-Yield represents the flagship real estate debt drawdown funds only. Inception to date returns are from July 1, 2009.

(g) BREDS Liquid represents BREDS funds that invest in liquid real estate debt securities, except funds in liquidation and insurance mandates with specific investment objectives. The returns presented represent summarized asset-weighted gross and net rates of return from August 1, 2008. Inception to date returns are presented on an annualized basis.

(h) Reflects annualized return of a shareholder invested in BXMT as of the beginning of each period presented, assuming reinvestment of all dividends received during the period, and net of all fees and expenses incurred by BXMT. Return incorporates the closing NYSE stock price as of each period end. Inception to date returns are from May 22, 2013.

Funds With Closed Investment Periods

The Real Estate segment has ten funds with closed investment periods as of September 30, 2021: BREP VIII, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe V, BREP Europe IV, BREP Europe lll, BREP Asia I and BREDS lll. As of September 30, 2021, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe IV and BREP Europe lll were above their carried interest thresholds and would have been above their carried interest thresholds even if all remaining investments were valued at zero. BREP VIII, BREP Europe V, BREP Asia I and BREDS III were above their carried interest thresholds.

Private Equity

The following table presents the results of operations for our Private Equity segment:

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	2021 vs. 2020 $	2021 vs. 2020 %	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	2021 vs. 2020 $	2021 vs. 2020 %
				(Dollars in Thousands)				
Management and Advisory Fees, Net								
Base Management Fees	$ 370,083	$ 352,866	$ 17,217	5%	$ 1,112,349	$ 874,910	$ 237,439	27%
Transaction, Advisory and Other Fees, Net	50,241	11,571	38,670	334%	125,220	42,505	82,715	195%
Management Fee Offsets	10	(16,264)	16,274	n/m	(17,510)	(33,510)	16,000	-48%
Total Management and Advisory Fees, Net	420,334	348,173	72,161	21%	1,220,059	883,905	336,154	38%
Fee Related Compensation	(139,211)	(119,301)	(19,910)	17%	(416,575)	(322,494)	(94,081)	29%
Other Operating Expenses	(56,792)	(45,702)	(11,090)	24%	(168,888)	(131,530)	(37,358)	28%
Fee Related Earnings	224,331	183,170	41,161	22%	634,596	429,881	204,715	48%
Realized Performance Revenues	988,331	295,239	693,092	235%	1,627,186	471,828	1,155,358	245%
Realized Performance Compensation	(417,386)	(112,713)	(304,673)	270%	(687,970)	(192,372)	(495,598)	258%
Realized Principal Investment Income	77,570	10,248	67,322	657%	220,769	38,011	182,758	481%
Net Realizations	648,515	192,774	455,741	236%	1,159,985	317,467	842,518	265%
Segment Distributable Earnings	$ 872,846	$ 375,944	$ 496,902	132%	$ 1,794,581	$ 747,348	$ 1,047,233	140%

n/m Not meaningful.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

Segment Distributable Earnings were $872.8 million for the three months ended September 30, 2021, an increase of $496.9 million, or 132%, compared to $375.9 million for the three months ended September 30, 2020. The increase in Segment Distributable Earnings was attributable to increases of $41.2 million in Fee Related Earnings and $455.7 million in Net Realizations.

Segment Distributable Earnings in our Private Equity segment in the third quarter of 2021 were higher compared to the third quarter of 2020. This was primarily driven by an increase in Fee Related Earnings, as well as an increase in Net Realizations. Continued favorable market conditions have contributed to significant realizations, particularly through the public markets, as well as meaningful capital deployment opportunities. Robust economic activity in the U.S. has supported a continued recovery in certain investments in our corporate private equity portfolio, such as in location-based businesses, that were materially impacted by the COVID-19 pandemic. Favorable market fundamentals have also contributed to strong appreciation of investments in our corporate private equity funds across a number of sectors and geographies, particularly technology, media and telecom and in our India public holdings. Strong performance in investors' alternative investment portfolios has in some cases resulted in alternative investments representing a significant portion of the value of such investors' portfolios, which may limit such investors' ability to allocate additional capital to certain funds in our Private Equity segment and negatively impact fundraising efforts if such investors do not increase their overall allocations to alternatives. Inflation in the U.S. is continuing to show signs of acceleration and is likely to continue in the near- to medium-term. Higher inflation would potentially negatively impact Segment Distributable Earnings in our Private Equity segment, particularly if not occurring against a backdrop of continued corresponding economic growth that can accommodate rising prices. In the U.S., heightened competition for workers, supply chain issues and rising energy prices have contributed to increasing wages and other inputs, which increasingly pressure profit margins. The valuations of certain investments in our Private Equity segment would potentially be negatively impacted if such companies cannot successfully identify and execute on means to mitigate margin pressures. In addition, if interest rates rise, the cost of debt financing for us and our portfolio companies will likely increase.

In energy, weakened long-term market fundamentals continue to pose challenges, particularly in upstream energy, but the overall macroeconomic backdrop remains positive. An increased focus on energy sustainability due to concerns about climate change and the impact of carbon emissions, including potential alternatives to fossil fuels, has also exacerbated the impact of such weakened market fundamentals. The persistence of these weakened market fundamentals would further negatively impact the performance of certain investments in our energy and corporate private equity funds.

In addition, the Presidential administration and the U.S. Congress may introduce new or enforce existing policies and regulations that may create uncertainty for our business and investment strategies and could have an adverse impact on us and our portfolio companies. For example, a top legislative priority of the Presidential administration is significant changes to U.S. tax regulations. The administration has recently proposed a framework that includes, among other changes, a corporate minimum tax and significant modifications to international tax rules. If enacted, such changes could materially increase the amount of taxes we and/or certain of our portfolio companies could be required to pay. See "Part I. Item 1A. Risk Factors — Risks Related to Our Business — The global outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. and global economies and has adversely impacted, and may continue to adversely impact, our performance and results of operations," "— Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition" and "— A period of economic slowdown, which may be across one or more industries, sectors or geographies, has contributed and could in the future contribute to adverse operating performance for certain of our funds' investments, which would adversely affect our operating results and cash flows" in our Annual Report on Form 10-K for the year ended December 31, 2020.

Fee Related Earnings

Fee Related Earnings were $224.3 million for the three months ended September 30, 2021, an increase of $41.2 million, or 22%, compared to $183.2 million for the three months ended September 30, 2020. The increase in Fee Related Earnings was attributable to an increase of $72.2 million in Management and Advisory Fees, Net, partially offset by increases of $19.9 million in Fee Related Compensation and $11.1 million in Other Operating Expenses.

Management and Advisory Fees, Net were $420.3 million for the three months ended September 30, 2021, an increase of $72.2 million, compared to $348.2 million for the three months ended September 30, 2020, primarily driven by increases in Transaction, Advisory and Other Fees, Net and Base Management Fees. Transaction, Advisory and Other Fees, Net increased $38.7 million primarily due to deal activity in BXCM. Base Management Fees increased $17.2 million primarily due to the end of BXG's fee holiday in the first quarter of 2021, the commencement of Strategic Partners GP Solutions' investment period in the second quarter of 2021 and Fee-Earning Assets Under Management growth in BIP and Strategic Partners.

Fee Related Compensation was $139.2 million for the three months ended September 30, 2021, an increase of $19.9 million, compared to $119.3 million for the three months ended September 30, 2020. The increase was primarily due to an increase in Management and Advisory Fees, Net on which a portion of Fee Related Compensation is based.

Other Operating Expenses were $56.8 million for the three months ended September 30, 2021, an increase of $11.1 million, compared to $45.7 million for the three months ended September 30, 2020. The increase was primarily due to occupancy and technology related expenses and professional fees.

Net Realizations

Net Realizations were $648.5 million for the three months ended September 30, 2021, an increase of $455.7 million, or 236%, compared to $192.8 million for the three months ended September 30, 2020. The increase in Net Realizations was attributable to increases of $693.1 million in Realized Performance Revenues and $67.3 million in Realized Principal Investment Income, partially offset by an increase of $304.7 million in Realized Performance Compensation.

Realized Performance Revenues were $988.3 million for the three months ended September 30, 2021, an increase of $693.1 million, compared to $295.2 million for the three months ended September 30, 2020. The increase was primarily due to higher Realized Performance Revenues in corporate private equity and Tactical Opportunities.

Realized Principal Investment Income was $77.6 million for the three months ended September 30, 2021, an increase of $67.3 million, compared to $10.2 million for the three months ended September 30, 2020. The increase was primarily due the segment's allocation of the gain recognized from the partial sale of Blackstone's remaining Pátria shares.

Realized Performance Compensation was $417.4 million for the three months ended September 30, 2021, an increase of $304.7 million, compared to $112.7 million for the three months ended September 30, 2020. The increase was primarily due to the increase in Realized Performance Revenues.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

Segment Distributable Earnings were $1.8 billion for the nine months ended September 30, 2021, an increase of $1.0 billion, or 140%, compared to $747.3 million for the nine months ended September 30, 2020. The increase in Segment Distributable Earnings was attributable to increases of $204.7 million in Fee Related Earnings and $842.5 million in Net Realizations.

Fee Related Earnings

Fee Related Earnings were $634.6 million for the nine months ended September 30, 2021, an increase of $204.7 million, or 48%, compared to $429.9 million for the nine months ended September 30, 2020. The increase in Fee Related Earnings was attributable to an increase of $336.2 million in Management and Advisory Fees, Net, partially offset by increases of $94.1 million in Fee Related Compensation and $37.4 million in Other Operating Expenses.

Management and Advisory Fees, Net were $1.2 billion for the nine months ended September 30, 2021, an increase of $336.2 million, compared to $883.9 million for the nine months ended September 30, 2020, primarily driven by an increase in Base Management Fees. Base Management Fees increased $237.4 million primarily due to BCP VIII, BEP III, BXLS V and BXG. BCP VIII commenced its investment period in the first quarter of 2020 and ended its fee holiday in the second quarter of 2020. BEP III and BXLS V commenced their investment periods in the first quarter of 2020 and ended their fee holidays in the third quarter of 2020. BXG commenced its investment period in the third quarter of 2020 and ended its fee holiday in the first quarter of 2021.

The annualized Base Management Fee Rate increased from 0.96% at September 30, 2020 to 1.11% at September 30, 2021. The increase was primarily due to the investment period commencement and subsequent fee holiday expirations of BCP VIII, BEP III, BXLS V and BXG as described in the paragraph above.

Fee Related Compensation was $416.6 million for the nine months ended September 30, 2021, an increase of $94.1 million, compared to $322.5 million for the nine months ended September 30, 2020. The increase was primarily due to an increase in Management and Advisory Fees, Net on which a portion of Fee Related Compensation is based.

Other Operating Expenses were $168.9 million for the nine months ended September 30, 2021, an increase of $37.4 million, compared to $131.5 million for the nine months ended September 30, 2020. The increase was primarily due to occupancy and technology related expenses and professional fees.

Net Realizations

Net Realizations were $1.2 billion for the nine months ended September 30, 2021, an increase of $842.5 million, or 265%, compared to $317.5 million for the nine months ended September 30, 2020. The increase in Net Realizations was attributable to increases of $1.2 billion in Realized Performance Revenues and $182.8 million in Realized Principal Investment Income, partially offset by an increase of $495.6 million in Realized Performance Compensation.

Realized Performance Revenues were $1.6 billion for the nine months ended September 30, 2021, an increase of $1.2 billion, compared to $471.8 million for the nine months ended September 30, 2020. The increase was primarily due to higher Realized Performance Revenues in corporate private equity and Tactical Opportunities.

Realized Principal Investment Income was $220.8 million for the nine months ended September 30, 2021, an increase of $182.8 million, compared to $38.0 million for the nine months ended September 30, 2020. The increase was primarily due to the segment's allocation of the gain recognized in connection with the Pátria sale transactions in the first quarter of 2021, and the partial sale of Blackstone's remaining Pátria shares in the third quarter of 2021. For additional information on the Pátria sale transactions, see Note 4. "Investments — Equity Method Investments" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements."

Realized Performance Compensation was $688.0 million for the nine months ended September 30, 2021, an increase of $495.6 million, compared to $192.4 million for the nine months ended September 30, 2020. The increase was primarily due to the increase in Realized Performance Revenues.

Fund Returns

Fund returns information for our significant funds is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The fund returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future performance of any particular fund. An investment in Blackstone is not an investment in any of our funds. There can be no assurance that any of our funds or our other existing and future funds will achieve similar returns.

The following table presents the internal rates of return of our significant private equity funds:

	Three Months Ended September 30,				Nine Months Ended September 30,				September 30, 2021 Inception to Date			
	2021		2020		2021		2020		Realized		Total	
Fund (a)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
BCP V	27%	11%	26%	10%	228%	96%	7%	2%	10%	8%	10%	8%
BCP VI	-2%	-1%	22%	19%	14%	12%	9%	7%	22%	18%	17%	13%
BCP VII	7%	6%	7%	6%	38%	31%	-	-1%	41%	31%	29%	21%
BEP I	7%	5%	2%	1%	67%	52%	-22%	-19%	18%	14%	15%	11%
BEP II	7%	7%	5%	4%	50%	48%	-33%	-34%	-2%	-7%	7%	3%
BEP III	14%	11%	-51%	-45%	79%	53%	n/m	n/m	146%	96%	140%	82%
BCP Asia I	53%	47%	25%	19%	186%	156%	30%	22%	146%	94%	112%	84%
BCEP I (b)	7%	7%	19%	17%	38%	35%	17%	15%	42%	38%	29%	25%
Tactical Opportunities	1%	1%	13%	12%	29%	22%	3%	1%	22%	19%	17%	13%
Tactical Opportunities Co-Investment and Other	6%	6%	7%	6%	28%	24%	6%	2%	20%	19%	20%	17%
BXG	-5%	-5%	n/m	n/m	71%	65%	n/m	n/m	n/m	n/m	157%	90%
Strategic Partners I-V (c)	10%	9%	-11%	-12%	29%	26%	-8%	-9%	n/a	n/a	16%	13%
Strategic Partners VI (c)	18%	17%	-13%	-13%	49%	45%	-14%	-14%	n/a	n/a	20%	16%
Strategic Partners VII (c)	24%	21%	-16%	-15%	65%	58%	-13%	-13%	n/a	n/a	28%	23%
Strategic Partners Real Assets II (c)	10%	9%	-2%	-2%	18%	15%	5%	4%	n/a	n/a	19%	14%
Strategic Partners VIII (c)	31%	27%	-17%	-17%	96%	80%	-7%	-10%	n/a	n/a	73%	57%
Strategic Partners RE, SMA and Other (c)	13%	13%	-9%	-11%	28%	28%	-2%	-5%	n/a	n/a	19%	17%
BIP	-	-	1%	-2%	35%	28%	-8%	-11%	n/a	n/a	23%	16%
Clarus IV	6%	4%	-	-1%	24%	18%	2%	-	-11%	-18%	27%	17%
BXLS V	12%	8%	n/m	n/m	30%	9%	n/m	n/m	n/a	n/a	50%	21%

The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.

n/m Not meaningful generally due to the limited time since initial investment.

n/a Not applicable.

SMA Separately managed account.

(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Revenues.

(b) BCEP is a core private equity strategy which invests with a more modest risk profile and longer hold period than traditional private equity.

(c) Realizations are treated as return of capital until fully recovered and therefore inception to date realized returns are not applicable. Returns are calculated from results that are reported on a three month lag from Strategic Partners’ fund financial statements and therefore do not include the impact of economic and market activities in the current quarter. Effective September 30, 2021, Strategic Partners’ fund financial reporting process was updated to report underlying fund investment performance generally on a same-quarter basis, if available. Previously, such fund financial reporting in Strategic Partners’ fund financial statements was generally on a three month lag. As a result of this update, Strategic Partners’ appreciation for the three months and nine months ended September 30, 2021, includes the economic and market activity of two quarters and four quarters, respectively. See Part I. Item 1. Financial Statements — Note 2. “Summary of Significant Accounting Policies — Equity Method Investments” for additional information.

Funds With Closed Investment Periods

The corporate private equity funds within the Private Equity segment have nine funds with closed investment periods: BCP IV, BCP V, BCP VI, BCP VII, BCOM, BEP I, BEP II, BCEP I and BCP Asia. As of September 30, 2021, BCP IV was above its carried interest threshold (i.e., the preferred return payable to its limited partners before the general partner is eligible to receive carried interest) and would still be above its carried interest threshold even if all remaining investments were valued at zero. BCP V is comprised of two fund classes based on the timings of fund closings, the BCP V "main fund" and BCP V-AC fund. Within these fund classes, the general partner is subject to equalization such that (a) the general partner accrues carried interest when the respective carried interest for either fund class is positive and (b) the general partner realizes carried interest so long as clawback obligations, if any, for either of the respective fund classes are fully satisfied. BCP V, BCP VI, BCP VII, BCOM, BEP I, BCEP I and BCP Asia were above their respective carried interest thresholds. We are entitled to retain previously realized carried interest up to 20% of BCOM's net gains. As a result, Performance Revenues are recognized from BCOM on current period gains and losses. BEP II was below its carried interest threshold.

Hedge Fund Solutions

The following table presents the results of operations for our Hedge Fund Solutions segment:

	Three Months Ended September 30,		2021 vs. 2020		Nine Months Ended September 30,		2021 vs. 2020	
	2021	**2020**	**$**	**%**	**2021**	**2020**	**$**	**%**
				(Dollars in Thousands)				
Management Fees, Net								
Base Management Fees	$ 154,884	$ 146,082	$ 8,802	6%	$ 460,661	$ 431,193	$ 29,468	7%
Transaction and Other Fees, Net	2,535	1,255	1,280	102%	8,439	2,872	5,567	194%
Management Fee Offsets	(255)	(22)	(233)	n/m	(516)	(60)	(456)	760%
Total Management Fees, Net	157,164	147,315	9,849	7%	468,584	434,005	34,579	8%
Fee Related Compensation	(35,092)	(41,405)	6,313	-15%	(112,580)	(127,949)	15,369	-12%
Other Operating Expenses	(25,476)	(19,652)	(5,824)	30%	(66,521)	(56,126)	(10,395)	19%
Fee Related Earnings	96,596	86,258	10,338	12%	289,483	249,930	39,553	16%
Realized Performance Revenues	7,271	5,618	1,653	29%	55,900	8,867	47,033	530%
Realized Performance Compensation	(1,443)	(1,257)	(186)	15%	(13,977)	(2,202)	(11,775)	535%
Realized Principal Investment Income (Loss)	14,943	(150)	15,093	n/m	52,618	(1,090)	53,708	n/m
Net Realizations	20,771	4,211	16,560	393%	94,541	5,575	88,966	n/m
Segment Distributable Earnings	$ 117,367	$ 90,469	$ 26,898	30%	$ 384,024	$ 255,505	$ 128,519	50%

n/m Not meaningful.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

Segment Distributable Earnings were $117.4 million for the three months ended September 30, 2021, an increase of $26.9 million, or 30%, compared to $90.5 million for the three months ended September 30, 2020. The increase in Segment Distributable Earnings was attributable to increases of $10.3 million in Fee Related Earnings and $16.6 million in Net Realizations.

Segment Distributable Earnings in our Hedge Fund Solutions segment in the third quarter of 2021 were higher compared to the third quarter of 2020. This increase was primarily driven by an increase in Net Realizations, as well as an increase in Fee Related Earnings. Robust economic activity in the U.S. has supported a continued recovery across asset classes and sectors and the Hedge Fund Solutions segment has benefited from favorable liquidity conditions in recent quarters. Nevertheless, another significant market downturn could pose material risks to our Hedge Fund Solutions segment, including by potentially causing investors to seek liquidity in the form of redemptions from our funds and adversely impacting management fees.

In an equity market environment that generally has been characterized by relatively low volatility, investors may continue to reallocate capital away from traditional hedge fund strategies. Our Hedge Fund Solutions segment operates multiple business lines, manages strategies that are both long and short asset classes and generates a majority of its revenue through management fees. In that regard, the segment's revenues depend in part on our ability to successfully grow such existing diverse business lines and strategies and to identify and scale new ones to meet evolving investor appetites. In recent years we have shifted the mix of our product offerings to include more products whose performance-based fees represent a more significant proportion of the fees earned from such products than has historically been the case.

In addition, the Presidential administration and the U.S. Congress may introduce new or enforce existing policies and regulations that may create uncertainty for our business and investment strategies and may adversely affect the profitability of certain of our investments. For example, a top legislative priority of the Presidential administration is significant changes to U.S. tax regulations. The administration has recently proposed a framework that includes, among other changes, a corporate minimum tax and significant modifications to international tax rules. If enacted, such changes could materially increase the amount of taxes we and/or certain of our portfolio companies could be required to pay. See "Part I. Item 1A. Risk Factors — Risks Related to Our Business — The global outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. and global economies and has adversely impacted, and may continue to adversely impact, our performance and results of operations," "— Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition" and "— A period of economic slowdown, which may be across one or more industries, sectors or geographies, has contributed and could in the future contribute to adverse operating performance for certain of our funds' investments, which would adversely affect our operating results and cash flows" in our Annual Report on Form 10-K for the year ended December 31, 2020.

Fee Related Earnings

Fee Related Earnings were $96.6 million for the three months ended September 30, 2021, an increase of $10.3 million, or 12%, compared to $86.3 million for the three months ended September 30, 2020. The increase in Fee Related Earnings was attributable to an increase of $9.8 million in Management Fees, Net and a decrease of $6.3 million in Fee Related Compensation, partially offset by an increase of $5.8 million in Other Operating Expenses.

Management Fees, Net were $157.2 million for the three months ended September 30, 2021, an increase of $9.8 million, compared to $147.3 million for the three months ended September 30, 2020, primarily due to an increase in Base Management Fees. Base Management Fees increased $8.8 million primarily driven by Fee-Earning Assets Under Management growth in our individual investor and specialized solutions platform.

Fee Related Compensation was $35.1 million for the three months ended September 30, 2021, a decrease of $6.3 million, compared to $41.4 million for the three months ended September 30, 2020. The decrease was primarily due to changes in compensation accruals.

Other Operating Expenses were $25.5 million for the three months ended September 30, 2021, an increase of $5.8 million, compared to $19.7 million for the three months ended September 30, 2020. The increase was primarily due to technology related expenses.

Net Realizations

Net Realizations were $20.8 million for the three months ended September 30, 2021, an increase of $16.6 million, or 393%, compared to $4.2 million for the three months ended September 30, 2020. The increase in Net Realizations was primarily attributable to an increase of $15.1 million in Realized Principal Investment Income (Loss).

Realized Principal Investment Income (Loss) was $14.9 million for the three months ended September 30, 2021, an increase of $15.1 million, compared to $(0.2) million for the three months ended September 30, 2020. The increase was primarily due to the segment's allocation of the gain recognized from the partial sale of Blackstone's remaining Pátria shares.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

Segment Distributable Earnings were $384.0 million for the nine months ended September 30, 2021, an increase of $128.5 million, or 50%, compared to $255.5 million for the nine months ended September 30, 2020. The increase in Segment Distributable Earnings was attributable to increases of $39.6 million in Fee Related Earnings and $89.0 million in Net Realizations.

Fee Related Earnings

Fee Related Earnings were $289.5 million for the nine months ended September 30, 2021, an increase of $39.6 million, or 16%, compared to $249.9 million for the nine months ended September 30, 2020. The increase in Fee Related Earnings was attributable to an increase of $34.6 million in Management Fees, Net and a decrease of $15.4 million in Fee Related Compensation, partially offset by an increase of $10.4 million in Other Operating Expenses.

Management Fees, Net were $468.6 million for the nine months ended September 30, 2021, an increase of $34.6 million, compared to $434.0 million for the nine months ended September 30, 2020, primarily due to an increase in Base Management Fees. Base Management Fees increased $29.5 million primarily driven by Fee-Earning Assets Under Management growth in our individual investor and specialized solutions platform.

Fee Related Compensation was $112.6 million for the nine months ended September 30, 2021, a decrease of $15.4 million, compared to $127.9 million for the nine months ended September 30, 2020. The decrease was primarily due to changes in compensation accruals.

Other Operating Expenses were $66.5 million for the nine months ended September 30, 2021, an increase of $10.4 million, compared to $56.1 million for the nine months ended September 30, 2020. The increase was primarily due to professional fees and technology related expenses.

Net Realizations

Net Realizations were $94.5 million for the nine months ended September 30, 2021, an increase of $89.0 million, compared to $5.6 million for the nine months ended September 30, 2020. The increase in Net Realizations was attributable to increases of $53.7 million in Realized Principal Investment Income (Loss) and $47.0 million in Realized Performance Revenues, partially offset by an increase of $11.8 million in Realized Performance Compensation.

Realized Principal Investment Income (Loss) was $52.6 million for the nine months ended September 30, 2021, an increase of $53.7 million, compared to $(1.1) million for the nine months ended September 30, 2020. The increase was primarily due to the segment's allocation of the gain recognized in connection with the Pátria sale transactions in the first quarter of 2021, and the partial sale of Blackstone's remaining Pátria shares in the third quarter of 2021. For additional information on the Pátria sale transactions, see Note 4. "Investments — Equity Method Investments" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements."

Realized Performance Revenues were $55.9 million for the nine months ended September 30, 2021, an increase of $47.0 million, compared to $8.9 million for the nine months ended September 30, 2020. The increase was primarily driven by realizations and higher returns for the nine months ended September 30, 2021, principally within customized solutions and commingled products.

Realized Performance Compensation was $14.0 million for the nine months ended September 30, 2021, an increase of $11.8 million, compared to $2.2 million for the nine months ended September 30, 2020. The increase was primarily due to the increase in Realized Performance Revenues.

Composite Returns

Composite returns information is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The composite returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future results of any particular fund or composite. An investment in Blackstone is not an investment in any of our funds or composites. There can be no assurance that any of our funds or composites or our other existing and future funds or composites will achieve similar returns.

The following table presents the return information of the BAAM Principal Solutions Composite:

	Three Months Ended September 30,				Nine Months Ended September 30,				Average Annual Returns (a) Periods Ended September 30, 2021							
	2021		2020		2021		2020		One Year		Three Year		Five Year		Historical	
Composite	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
BAAM Principal Solutions Composite (b)	1%	1%	3%	3%	7%	7%	-	-1%	13%	12%	6%	5%	7%	6%	7%	6%

The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.

(a) Composite returns present a summarized asset-weighted return measure to evaluate the overall performance of the applicable class of Blackstone Funds.

(b) BAAM's Principal Solutions ("BPS") Composite covers the period from January 2000 to present, although BAAM's inception date is September 1990. The BPS Composite includes only BAAM-managed commingled and customized multi-manager funds and accounts and does not include BAAM's individual investor solutions (liquid alternatives), strategic capital (seeding and GP minority stakes), strategic opportunities (co-invests), and advisory (non-discretionary) platforms, except for investments by BPS funds directly into those platforms. BAAM-managed funds in liquidation and, in the case of net returns, non-fee-paying assets are also excluded. The funds/accounts that comprise the BPS Composite are not managed within a single fund or account and are managed with different mandates. There is no guarantee that BAAM would have made the same mix of investments in a stand-alone fund/account. The BPS Composite is not an investible product and, as such, the performance of the BPS Composite does not represent the performance of an actual fund or account. The historical return is from January 1, 2000.

Operating Metrics

The following table presents information regarding our Invested Performance Eligible Assets Under Management:

	Invested Performance Eligible Assets Under Management		Estimated % Above High Water Mark/ Benchmark (a)	
	As of September 30,		As of September 30,	
	2021	2020	2021	2020
	(Dollars in Thousands)			
Hedge Fund Solutions Managed Funds (b)	$ 45,560,404	$ 45,664,704	91%	38%

(a) Estimated % Above High Water Mark/Benchmark represents the percentage of Invested Performance Eligible Assets Under Management that as of the dates presented would earn performance fees when the applicable Hedge Fund Solutions managed fund has positive investment performance relative to a benchmark, where applicable. Incremental positive performance in the applicable Blackstone Funds may cause additional assets to reach their respective High Water Mark or clear a benchmark return, thereby resulting in an increase in Estimated % Above High Water Mark/Benchmark.

(b) For the Hedge Fund Solutions managed funds, at September 30, 2021, the incremental appreciation needed for the 9% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks to reach their respective High Water Marks/Benchmarks was $342.4 million, a decrease of $(1.0) billion, compared to $1.4 billion at September 30, 2020. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks as of September 30, 2021, 49% were within 5% of reaching their respective High Water Mark.

Credit & Insurance

The following table presents the results of operations for our Credit & Insurance segment:

	Three Months Ended September 30,		2021 vs. 2020		Nine Months Ended September 30,		2021 vs. 2020	
	2021	2020	$	%	2021	2020	$	%
				(Dollars in Thousands)				
Management Fees, Net								
Base Management Fees	$ 197,591	$ 152,037	$ 45,554	30%	$ 526,039	$ 442,930	$ 83,109	19%
Transaction and Other Fees, Net	8,132	3,338	4,794	144%	19,915	14,681	5,234	36%
Management Fee Offsets	(1,884)	(2,233)	349	-16%	(5,146)	(8,019)	2,873	-36%
Total Management Fees, Net	203,839	153,142	50,697	33%	540,808	449,592	91,216	20%
Fee Related Performance Revenues	37,688	9,623	28,065	292%	66,577	26,066	40,511	155%
Fee Related Compensation	(107,865)	(61,585)	(46,280)	75%	(263,059)	(188,080)	(74,979)	40%
Other Operating Expenses	(51,276)	(43,293)	(7,983)	18%	(142,615)	(118,458)	(24,157)	20%
Fee Related Earnings	82,386	57,887	24,499	42%	201,711	169,120	32,591	19%
Realized Performance Revenues	6,148	225	5,923	n/m	73,234	11,868	61,366	517%
Realized Performance Compensation	(1,145)	(417)	(728)	175%	(29,532)	(2,963)	(26,569)	897%
Realized Principal Investment Income	15,820	840	14,980	n/m	67,285	4,372	62,913	n/m
Net Realizations	20,823	648	20,175	n/m	110,987	13,277	97,710	736%
Segment Distributable Earnings	$ 103,209	$ 58,535	$ 44,674	76%	$ 312,698	$ 182,397	$ 130,301	71%

n/m Not meaningful.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

Segment Distributable Earnings were $103.2 million for the three months ended September 30, 2021, an increase of $44.7 million, or 76%, compared to $58.5 million for the three months ended September 30, 2020. The increase in Segment Distributable Earnings was attributable to increases of $24.5 million in Fee Related Earnings and $20.2 million in Net Realizations.

Segment Distributable Earnings in our Credit & Insurance segment in the third quarter of 2021 were higher compared to the third quarter of 2020, driven by an increase in Fee Related Earnings, as well as an increase in Net Realizations. Favorable market conditions across many asset classes and tightening spreads, as well as solid underlying company performance, have positively impacted returns in our Credit & Insurance segment. We have also experienced strong fundraising momentum in our perpetual capital strategies, which represent an increasing percentage of our Total Assets Under Management. Robust economic activity in the U.S. has supported a continued recovery across asset classes and sectors. The Credit & Insurance segment has also benefited from favorable liquidity conditions in recent quarters. Nevertheless, another significant market downturn could create additional pressure for borrowers with respect to their ability to meet their debt payment obligations or increase their focus on deleveraging. Our funds have, however, continued to actively manage their portfolios in order to limit downside and protect capital. Inflation in the U.S. is continuing to show signs of acceleration and is likely to continue in the near- to medium-term. In the U.S., heightened competition for workers, supply chain issues and rising energy prices have contributed to increasing wages and other inputs, which increasingly pressure profit margins. The valuations of certain investments in our Credit & Insurance segment would potentially be negatively impacted if such companies are unable to mitigate margin pressures and experience an increase in leverage, especially if concurrent with an increase in their debt service costs. If interest rates rise, and such rise occurs concurrently with a period of economic weakness or a slowdown in growth, capital deployment in our Credit &

Insurance segment may be negatively impacted. In addition, interest rate increases could adversely affect Segment Distributable Earnings in the segment, although we believe our current portfolio is relatively insulated because much of our debt portfolio is floating rate and/or short duration.

In energy, weakened long-term market fundamentals continue to pose challenges, particularly in upstream energy, but the overall macroeconomic backdrop remains positive. An increased focus on energy sustainability due to concerns about climate change and the impact of carbon emissions, including potential alternatives to fossil fuels, has also exacerbated the impact of such weakened market fundamentals. The persistence of these weakened market fundamentals in the energy sector or in the credit markets more broadly would further negatively impact the performance of certain investments in our credit funds.

In addition, the Presidential administration and the U.S. Congress may introduce new or enforce existing policies and regulations that may create uncertainty for our business and investment strategies and may adversely affect the profitability of certain of our investments. For example, a top legislative priority of the Presidential administration is significant changes to U.S. tax regulations. The administration has recently proposed a framework that includes, among other changes, a corporate minimum tax and significant modifications to international tax rules. If enacted, such changes could materially increase the amount of taxes we and/or certain of our portfolio companies could be required to pay. See "Part I. Item 1A. Risk Factors — Risks Related to Our Business — The global outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. and global economies and has adversely impacted, and may continue to adversely impact, our performance and results of operations," "— Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition" and "— A period of economic slowdown, which may be across one or more industries, sectors or geographies, has contributed and could in the future contribute to adverse operating performance for certain of our funds' investments, which would adversely affect our operating results and cash flows" in our Annual Report on Form 10-K for the year ended December 31, 2020.

Fee Related Earnings

Fee Related Earnings were $82.4 million for the three months ended September 30, 2021, an increase of $24.5 million, or 42%, compared to $57.9 million for the three months ended September 30, 2020. The increase in Fee Related Earnings was primarily attributable to increases of $50.7 million in Management Fees, Net and $28.1 million in Fee Related Performance Revenues, partially offset by an increase of $46.3 million in Fee Related Compensation.

Management Fees, Net were $203.8 million for the three months ended September 30, 2021, an increase of $50.7 million, compared to $153.1 million for the three months ended September 30, 2020, primarily driven by an increase in Base Management Fees. Base Management Fees increased $45.6 million primarily due to increased capital deployed in our most recently launched credit vehicles, BXSL, and inflows in BCRED and our liquid credit business.

Fee Related Performance Revenues were $37.7 million for the three months ended September 30, 2021, an increase of $28.1 million, compared to $9.6 million for the three months ended September 30, 2020. The increase was primarily due to performance and growth in assets in BXSL and the launch of BCRED in the first quarter of 2021.

Fee Related Compensation was $107.9 million for the three months ended September 30, 2021, an increase of $46.3 million, compared to $61.6 million for the three months ended September 30, 2020. The increase was primarily due to increases in Management Fees, Net and Fee Related Performance Revenues, on which a portion of Fee Related Compensation is based.

Net Realizations

Net Realizations were $20.8 million for the three months ended September 30, 2021, an increase of $20.2 million, compared to $0.6 million for the three months ended September 30, 2020. The increase in Net Realizations was primarily attributable to increases of $15.0 million in Realized Principal Investment Income and $5.9 million in Realized Performance Revenues.

Realized Principal Investment Income was $15.8 million for the three months ended September 30, 2021, an increase of $15.0 million, compared to $0.8 million for the three months ended September 30, 2020. The increase was primarily due to the segment's allocation of the gain recognized from the partial sale of Blackstone's remaining Pátria shares.

Realized Performance Revenues were $6.1 million for the three months ended September 30, 2021, an increase of $5.9 million, compared to $0.2 million for the three months ended September 30, 2020. The increase was primarily attributable to an increase in realized carry compared to the three months ended September 30, 2020.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

Segment Distributable Earnings were $312.7 million for the nine months ended September 30, 2021, an increase of $130.3 million, or 71%, compared to $182.4 million for the nine months ended September 30, 2020. The increase in Segment Distributable Earnings was attributable to increases of $32.6 million in Fee Related Earnings and $97.7 million in Net Realizations.

Fee Related Earnings

Fee Related Earnings were $201.7 million for the nine months ended September 30, 2021, an increase of $32.6 million, or 19%, compared to $169.1 million for the nine months ended September 30, 2020. The increase in Fee Related Earnings was attributable to increases of $91.2 million in Management Fees, Net and $40.5 million in Fee Related Performance Revenues, partially offset by increases of $75.0 million in Fee Related Compensation and $24.2 million in Other Operating Expenses.

Management Fees, Net were $540.8 million for the nine months ended September 30, 2021, an increase of $91.2 million, compared to $449.6 million for the nine months ended September 30, 2020, primarily driven by an increase in Base Management Fees. Base Management Fees increased $83.1 million primarily due to increased capital deployed in our most recently launched credit vehicles, BXSL, and inflows in BCRED and our liquid credit business.

Fee Related Performance Revenues were $66.6 million for the nine months ended September 30, 2021, an increase of $40.5 million, compared to $26.1 million for the nine months ended September 30, 2020. The increase was primarily due to performance and growth in assets in BXSL and the launch of BCRED in the first quarter of 2021.

Fee Related Compensation was $263.1 million for the nine months ended September 30, 2021, an increase of $75.0 million, compared to $188.1 million for the nine months ended September 30, 2020. The increase was primarily due to increases in Management Fees, Net and Fee Related Performance Revenues, on which a portion of Fee Related Compensation is based.

Other Operating Expenses were $142.6 million for the nine months ended September 30, 2021, an increase of $24.2 million, compared to $118.5 million for the three months ended September 30, 2020. The increase was primarily due to occupancy and technology related expenses and professional fees.

Net Realizations

Net Realizations were $111.0 million for the nine months ended September 30, 2021, an increase of $97.7 million, or 736%, compared to $13.3 million for the nine months ended September 30, 2020. The increase in Net Realizations was attributable to increases of $62.9 million in Realized Principal Investment Income and $61.4 million in Realized Performance Revenues, partially offset by an increase of $26.6 million in Realized Performance Compensation.

Realized Principal Investment Income was $67.3 million for the nine months ended September 30, 2021, an increase of $62.9 million, compared to $4.4 million for the nine months ended September 30, 2020. The increase was primarily due to the segment's allocation of the gain recognized in connection with the Pátria sale transactions in the first quarter of 2021, and the partial sale of Blackstone's remaining Pátria shares in the third quarter of 2021. For additional information on the Pátria sale transactions, see Note 4. "Investments — Equity Method Investments" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements."

Realized Performance Revenues were $73.2 million for the nine months ended September 30, 2021, an increase of $61.4 million, compared to $11.9 million for the nine months ended September 30, 2020. The increase was primarily attributable to realized performance fees generated by our mezzanine opportunistic funds and an increase in realized carry compared to the nine months ended September 30, 2021.

Realized Performance Compensation was $29.5 million for the nine months ended September 30, 2021, an increase of $26.6 million, compared to $3.0 million for the nine months ended September 30, 2020. The increase was primarily due to the increase in Realized Performance Revenues.

Composite Returns

Composite returns information is included throughout this discussion and analysis to facilitate an understanding of our results of operations for the periods presented. The composite returns information reflected in this discussion and analysis is not indicative of the financial performance of Blackstone and is also not necessarily indicative of the future results of any particular fund or composite. An investment in Blackstone is not an investment in any of our funds or composites. There can be no assurance that any of our funds or composites or our other existing and future funds or composites will achieve similar returns.

The following table presents the return information for the Private Credit and Liquid Credit composites:

	Three Months Ended September 30,				Nine Months Ended September 30,				September 30, 2021 Inception to Date	
	2021		2020		2021		2020			
Composite (a)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Private Credit (b)	5%	3%	8%	6%	17%	13%	-6%	-7%	12%	7%
Liquid Credit (b)	1%	1%	4%	3%	4%	4%	-	-	5%	5%

The returns presented herein represent those of the applicable Blackstone Funds and not those of Blackstone.

(a) Net returns are based on the change in carrying value (realized and unrealized) after management fees, expenses and Performance Allocations, net of tax advances.

(b) Effective January 1, 2021, Credit returns are presented as separate returns for Private Credit and Liquid Credit instead of as a Credit Composite. Private Credit returns include mezzanine lending funds and middle market direct lending funds (including BXSL), stressed/distressed strategies (including stressed/distressed funds and credit alpha strategies) and energy strategies. Liquid Credit returns include CLOs, closed-ended funds, open-ended funds and separately managed accounts. Only fee-earning funds exceeding $100 million of fair value at the beginning of each respective quarter-end are included. Funds in liquidation, funds investing primarily in investment grade corporate credit and our structured products group are excluded. Blackstone Funds that were contributed to BXC as part of Blackstone's acquisition of BXC in March 2008 and the pre-acquisition date performance for funds and vehicles acquired by BXC subsequent to March 2008, are also excluded. Private Credit and Liquid Credit's inception to date returns are from December 31, 2005. Prior periods have been updated to reflect this presentation.

Operating Metrics

The following table presents information regarding our Invested Performance Eligible Assets Under Management:

	Invested Performance Eligible Assets Under Management		Estimated % Above High Water Mark/ Hurdle (a)	
	As of September 30,		As of September 30,	
	2021	2020	2021	2020
	(Dollars in Thousands)			
Credit & Insurance (b)	$ 49,934,469	$ 26,800,781	87%	59%

(a) Estimated % Above High Water Mark/Hurdle represents the percentage of Invested Performance Eligible Assets Under Management that as of the dates presented would earn performance fees when the applicable Credit & Insurance managed fund has positive investment performance relative to a hurdle, where applicable. Incremental positive performance in the applicable Blackstone Funds may cause additional assets to reach their respective High Water Mark or clear a hurdle return, thereby resulting in an increase in Estimated % Above High Water Mark/Hurdle.

(b) For the Credit & Insurance managed funds, at September 30, 2021, the incremental appreciation needed for the 13% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles to reach their respective High Water Marks/Hurdles was $2.4 billion, a decrease of $(1.7) billion, compared to $4.1 billion at September 30, 2020. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles as of September 30, 2021, 41% were within 5% of reaching their respective High Water Mark.

Non-GAAP Financial Measures

These non-GAAP financial measures are presented without the consolidation of any Blackstone Funds that are consolidated into the Condensed Consolidated Financial Statements. Consequently, all non-GAAP financial measures exclude the assets, liabilities and operating results related to the Blackstone Funds. See "— Key Financial Measures and Indicators" for our definitions of Distributable Earnings, Segment Distributable Earnings, Fee Related Earnings and Adjusted EBITDA.

The following table is a reconciliation of Net Income Attributable to Blackstone Inc. to Distributable Earnings, Total Segment Distributable Earnings, Fee Related Earnings and Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(Dollars in Thousands)			
Net Income Attributable to Blackstone Inc.	$ 1,401,895	$ 794,719	$ 4,458,919	$ 296,493
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	1,315,641	638,803	3,667,618	253,814
Net Income (Loss) Attributable to Non-Controlling Interests in Consolidated Entities	486,907	259,761	1,305,273	(90,938)
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	1,550	6,868	2,816	(12,027)
Net Income	3,205,993	1,700,151	9,434,626	447,342
Provision for Taxes	458,904	100,960	746,707	89,672
Net Income Before Provision for Taxes	3,664,897	1,801,111	10,181,333	537,014
Transaction-Related Charges (a)	59,193	47,283	122,614	170,437
Amortization of Intangibles (b)	17,044	16,483	51,212	49,449
Impact of Consolidation (c)	(488,457)	(266,629)	(1,308,089)	102,965
Unrealized Performance Revenues (d)	(2,724,366)	(1,403,480)	(7,886,033)	982,043
Unrealized Performance Allocations Compensation (e)	1,193,853	509,474	3,394,041	(433,091)
Unrealized Principal Investment (Income) Loss (f)	2,343	(177,125)	(526,249)	216,169
Other Revenues (g)	(64,109)	192,623	(152,252)	110,078
Equity-Based Compensation (h)	129,254	89,862	394,948	266,675
Administrative Fee Adjustment (i)	2,488	2,719	7,747	2,719
Taxes and Related Payables (j)	(156,867)	(40,225)	(381,762)	(127,268)
Distributable Earnings	1,635,273	772,096	3,897,510	1,877,190
Taxes and Related Payables (j)	156,867	40,225	381,762	127,268
Net Interest and Dividend Loss (k)	16,238	12,731	40,367	29,306
Total Segment Distributable Earnings	1,808,378	825,052	4,319,639	2,033,764
Realized Performance Revenues (l)	(1,497,477)	(319,954)	(2,691,738)	(589,364)
Realized Performance Compensation (m)	619,074	121,730	1,108,269	230,819
Realized Principal Investment Income (n)	(151,010)	(15,884)	(512,298)	(55,112)
Fee Related Earnings	$ 778,965	$ 610,944	$ 2,223,872	$ 1,620,107
Adjusted EBITDA Reconciliation				
Distributable Earnings	$ 1,635,273	$ 772,096	$ 3,897,510	$ 1,877,190
Interest Expense (o)	51,773	39,228	140,245	119,692
Taxes and Related Payables (j)	156,867	40,225	381,762	127,268
Depreciation and Amortization (p)	12,771	9,568	37,645	25,190
Adjusted EBITDA	$ 1,856,684	$ 861,117	$ 4,457,162	$ 2,149,340

(a) This adjustment removes Transaction-Related Charges, which are excluded from Blackstone's segment presentation. Transaction-Related Charges arise from corporate actions including acquisitions, divestitures, and Blackstone's initial public offering. They consist primarily of equity-based compensation charges, gains and losses on contingent consideration arrangements, changes in the balance of the Tax Receivable Agreement resulting from a change in tax law or similar event, transaction costs and any gains or losses associated with these corporate actions.

(b) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation. This amount includes amortization of intangibles associated with Blackstone's investment in Pátria, which was historically accounted for under the equity method. As a result of Pátria's IPO in January 2021, equity method has been discontinued and there will no longer be amortization of intangibles associated with the investment.

(c) This adjustment reverses the effect of consolidating Blackstone Funds, which are excluded from Blackstone's segment presentation. This adjustment includes the elimination of Blackstone's interest in these funds and the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

(d) This adjustment removes Unrealized Performance Revenues on a segment basis. The Segment Adjustment represents the add back of performance revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
	(Dollars in Thousands)			
GAAP Unrealized Performance Allocations	$ 2,724,366	$ 1,403,480	$ 7,886,033	$ (981,678)
Segment Adjustment	—	—	—	(365)
Unrealized Performance Revenues	$ 2,724,366	$ 1,403,480	$ 7,886,033	$ (982,043)

(e) This adjustment removes Unrealized Performance Allocations Compensation.

(f) This adjustment removes Unrealized Principal Investment Income (Loss) on a segment basis. The Segment Adjustment represents (1) the add back of Principal Investment Income, including general partner income, earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of amounts associated with the ownership of Blackstone consolidated operating partnerships held by non-controlling interests.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
	(Dollars in Thousands)			
GAAP Unrealized Principal Investment Income (Loss)	$ 183,754	$ 295,308	$ 1,151,904	$ (332,295)
Segment Adjustment	(186,097)	(118,183)	(625,655)	116,126
Unrealized Principal Investment Income (Loss)	$ (2,343)	$ 177,125	$ 526,249	$ (216,169)

(g) This adjustment removes Other Revenues on a segment basis. The Segment Adjustment represents (1) the add back of Other Revenues earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of certain Transaction-Related Charges.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(Dollars in Thousands)			
GAAP Other Revenue	$ 64,187	$ (192,159)	$ 152,387	$ (109,559)
Segment Adjustment	(78)	(464)	(135)	(519)
Other Revenues	$ 64,109	$ (192,623)	$ 152,252	$ (110,078)

(h) This adjustment removes Equity-Based Compensation on a segment basis.

(i) This adjustment adds an amount equal to an administrative fee collected on a quarterly basis from certain holders of Blackstone Holdings Partnership Units. The administrative fee is accounted for as a capital contribution under GAAP, but is reflected as a reduction of Other Operating Expenses in Blackstone's segment presentation.

(j) Taxes represent the total GAAP tax provision adjusted to include only the current tax provision (benefit) calculated on Income (Loss) Before Provision (Benefit) for Taxes and adjusted to exclude the tax impact of any divestitures. Related Payables represent tax-related payables including the amount payable under the Tax Receivable Agreement. See "— Key Financial Measures and Indicators — Distributable Earnings" for the full definition of Taxes and Related Payables.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(Dollars in Thousands)			
Taxes	$ 140,548	$ 32,518	$ 337,966	$ 97,254
Related Payables	16,319	7,707	43,796	30,014
Taxes and Related Payables	$ 156,867	$ 40,225	$ 381,762	$ 127,268

(k) This adjustment removes Interest and Dividend Revenue less Interest Expense on a segment basis. The Segment Adjustment represents (1) the add back of Interest and Dividend Revenue earned from consolidated Blackstone Funds which have been eliminated in consolidation, and (2) the removal of interest expense associated with the Tax Receivable Agreement.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(Dollars in Thousands)			
GAAP Interest and Dividend Revenue	$ 35,048	$ 26,497	$ 97,477	$ 85,505
Segment Adjustment	487	—	2,401	4,881
Interest and Dividend Revenue	35,535	26,497	99,878	90,386
GAAP Interest Expense	52,413	39,540	141,718	120,460
Segment Adjustment	(640)	(312)	(1,473)	(768)
Interest Expense	51,773	39,228	140,245	119,692
Net Interest and Dividend Loss	$ (16,238)	$ (12,731)	$ (40,367)	$ (29,306)

(l) This adjustment removes the total segment amount of Realized Performance Revenues.

(m) This adjustment removes the total segment amount of Realized Performance Compensation.
(n) This adjustment removes the total segment amount of Realized Principal Investment Income.
(o) This adjustment adds back Interest Expense on a segment basis, excluding interest expense related to the Tax Receivable Agreement.
(p) This adjustment adds back Depreciation and Amortization on a segment basis.

The following tables are a reconciliation of Total GAAP Investments to Net Accrued Performance Revenues. Total GAAP Investments and Net Accrued Performance Revenues consist of the following:

	September 30,	
	2021	2020
	(Dollars in Thousands)	
Investments of Consolidated Blackstone Funds	$ 2,104,705	$ 1,500,398
Equity Method Investments		
Partnership Investments	5,303,334	4,144,249
Accrued Performance Allocations	15,063,648	6,112,904
Corporate Treasury Investments	1,520,426	2,390,982
Other Investments	1,112,082	274,923
Total GAAP Investments	$ 25,104,195	$ 14,423,456
Accrued Performance Allocations - GAAP	$ 15,063,648	$ 6,112,904
Impact of Consolidation (a)	1	1
Due from Affiliates - GAAP (b)	59,669	21,499
Less: Net Realized Performance Revenues (c)	(416,336)	(75,328)
Less: Accrued Performance Compensation - GAAP (d)	(6,395,903)	(2,509,357)
Net Accrued Performance Revenues	$ 8,311,079	$ 3,549,719

(a) This adjustment adds back investments in consolidated Blackstone Funds which have been eliminated in consolidation.
(b) Represents GAAP accrued performance revenue recorded within Due from Affiliates.
(c) Represents Performance Revenues realized but not yet distributed as of the reporting date and are included in Distributable Earnings in the period they are realized.
(d) Represents GAAP accrued performance compensation associated with Accrued Performance Allocations and is recorded within Accrued Compensation and Benefits and Due to Affiliates.

Liquidity and Capital Resources

General

Blackstone's business model derives revenue primarily from third party assets under management. Blackstone is not a capital or balance sheet intensive business and targets operating expense levels such that total management and advisory fees exceed total operating expenses each period. As a result, we require limited capital resources to support the working capital or operating needs of our businesses. We draw primarily on the long-term committed capital of our limited partner investors to fund the investment requirements of the Blackstone Funds and use our own realizations and cash flows to invest in growth initiatives, make commitments to our own funds, where our minimum general partner commitments are generally less than 5% of the limited partner commitments of a fund, and pay dividends to shareholders.

Fluctuations in our statement of financial condition result primarily from activities of the Blackstone Funds that are consolidated as well as business transactions, such as the issuance of senior notes described below. The majority economic ownership interests of the Blackstone Funds are reflected as Redeemable Non-Controlling Interests in Consolidated Entities and Non-Controlling Interests in Consolidated Entities in the Condensed Consolidated Financial Statements. The consolidation of these Blackstone Funds has no net effect on Blackstone's Net Income or Partners' Capital. Additionally, fluctuations in our statement of financial condition also include appreciation or depreciation in Blackstone investments in the Blackstone Funds, additional investments and redemptions of such interests in the Blackstone Funds and the collection of receivables related to management and advisory fees.

Total Assets were $39.0 billion as of September 30, 2021, an increase of $12.8 billion, or 49%, from December 31, 2020. The increase in Total Assets was principally due to an increase of $12.3 billion in total assets attributable to consolidated operating partnerships. The increase in total assets attributable to consolidated operating partnerships was primarily due to increases of $9.0 billion in Investments and $3.0 billion in Cash and Cash Equivalents. The increase in Investments was primarily due to appreciation in the value of Blackstone's interests in its private equity and real estate investments. The increase in Cash and Cash Equivalents was primarily due to the issuance of $2.0 billion of notes on August 5, 2021. The other net variances of the assets attributable to the consolidated operating partnerships were relatively unchanged.

Total Liabilities were $18.2 billion as of September 30, 2021, an increase of $6.5 billion, or 55%, from December 31, 2020. The increase in Total Liabilities was principally due to an increase of $6.5 billion in total liabilities attributable to consolidated operating partnerships. The increase in total liabilities attributable to the consolidated operating partnerships was primarily due to increases of $4.0 billion in Accrued Compensation and Benefits and $1.9 billion in Loans Payable. The increase in Accrued Compensation and Benefits was primarily due to an increase in performance compensation. The increase in Loans Payable was primarily due to the issuance of $2.0 billion of notes on August 5, 2021. The other net variances of the liabilities attributable to the consolidated operating partnerships were relatively unchanged.

We have multiple sources of liquidity to meet our capital needs as described in "— Sources and Uses of Liquidity." While our liquidity has not been materially impacted by the COVID-19 pandemic to date, we continue to closely monitor developments in the impact of the COVID-19 pandemic and actively evaluate our sources and uses of liquidity in light of such developments.

Sources and Uses of Liquidity

We have multiple sources of liquidity to meet our capital needs, including annual cash flows, accumulated earnings in our businesses, the proceeds from our issuances of senior notes, liquid investments we hold on our balance sheet and access to our $2.25 billion committed revolving credit facility. As of September 30, 2021, Blackstone had $5.0 billion in Cash and Cash Equivalents, $1.5 billion invested in Corporate Treasury Investments and $1.1 billion in Other Investments (which included $843.0 million of liquid investments), against $7.6 billion in borrowings from our bond issuances, and no borrowings outstanding under our revolving credit facility.

On August 5, 2021, Blackstone issued $650 million aggregate principal amount of 1.625% senior notes due August 5, 2028, $800 million aggregate principal amount of 2.000% senior notes due January 30, 2032 and $550 million aggregate principal amount of 2.850% senior notes due August 5, 2051. For additional information see Note 12. "Borrowings" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing and "— Notable Transactions."

In addition to the cash we received from our notes offerings and availability under our revolving credit facility, we expect to receive (a) cash generated from operating activities, (b) Performance Allocations and Incentive Fee realizations, and (c) realizations on the fund investments that we make. The amounts received from these three sources in particular may vary substantially from year to year and quarter to quarter depending on the frequency and size of realization events or net returns experienced by our investment funds. Our available capital could be adversely affected if there are prolonged periods of few substantial realizations from our investment funds accompanied by substantial capital calls for new investments from those investment funds. Therefore, Blackstone's commitments to our funds are taken into consideration when managing our overall liquidity and cash position.

We expect that our primary liquidity needs will be cash to (a) provide capital to facilitate the growth of our existing businesses which principally includes funding our general partner and co-investment commitments to our funds, (b) provide capital to facilitate our expansion into new businesses, (c) pay operating expenses, including cash compensation to our employees and other obligations as they arise, (d) fund modest capital expenditures, (e) repay borrowings and related interest costs, (f) pay income taxes, (g) repurchase shares of our common stock and Blackstone Holdings Partnership Units pursuant to our repurchase program, and (h) pay dividends to our shareholders and distributions to the holders of Blackstone Holdings Partnership Units.

Our own capital commitments to our funds, the funds we invest in and our investment strategies as of September 30, 2021 consisted of the following:

	Blackstone and General Partner		Senior Managing Directors and Certain Other Professionals (a)	
Fund	**Original Commitment**	**Remaining Commitment**	**Original Commitment**	**Remaining Commitment**
	(Dollars in Thousands)			
Real Estate				
BREP V	$ 52,545	$ 2,185	$ —	$ —
BREP VI	750,000	36,809	150,000	12,270
BREP VII	300,000	33,652	100,000	11,217
BREP VIII	300,000	48,185	100,000	16,062
BREP IX	300,000	144,159	100,000	48,053
BREP Europe III	100,000	13,231	35,000	4,410
BREP Europe IV	130,000	24,074	43,333	8,025
BREP Europe V	150,000	32,041	43,333	9,256
BREP Europe VI	130,000	80,996	43,333	26,999
BREP Asia I	50,000	10,141	16,667	3,380
BREP Asia II	70,707	29,415	23,569	9,805
BREP Asia III	50,000	50,000	16,667	16,667
BREDS II	50,000	6,227	16,667	2,076
BREDS III	50,000	17,659	16,667	5,886
BREDS IV	50,000	32,415	—	—
BPP	177,659	30,546	—	—
Other (b)	25,599	10,273	—	—
Total Real Estate	2,736,510	602,008	705,236	174,106

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Fund	Blackstone and General Partner		Senior Managing Directors and Certain Other Professionals (a)	
	Original Commitment	Remaining Commitment	Original Commitment	Remaining Commitment
	(Dollars in Thousands)			
Private Equity				
BCP V	$ 629,356	$ 30,642	$ —	$ —
BCP VI	719,718	82,838	250,000	28,774
BCP VII	500,000	43,116	225,000	19,402
BCP VIII	500,000	351,676	225,000	158,254
BEP I	50,000	4,728	—	—
BEP II	80,000	14,477	26,667	4,826
BEP III	80,000	58,418	26,667	19,473
BCEP I	120,000	27,202	18,992	4,305
BCEP II	160,000	150,297	32,640	30,661
BCP Asia I	40,000	17,249	13,333	5,750
BCP Asia II	100,000	100,000	33,333	33,333
Tactical Opportunities	464,304	203,420	154,768	67,807
Strategic Partners	778,385	440,607	120,416	67,581
BIP	168,632	67,136	—	—
BXLS	120,000	83,673	30,000	24,725
BXG	80,650	55,377	26,667	18,243
Other (b)	278,669	25,873	—	—
Total Private Equity	4,869,714	1,756,729	1,183,483	483,134
Hedge Fund Solutions				
Strategic Alliance I	50,000	2,033	—	—
Strategic Alliance II	50,000	1,482	—	—
Strategic Alliance III	22,000	3,673	—	—
Strategic Alliance IV	15,000	15,000	—	—
Strategic Holdings I	154,610	43,511	—	—
Strategic Holdings II	50,000	40,157	—	—
Horizon	100,000	44,358	—	—
Other (b)	19,378	10,613	—	—
Total Hedge Fund Solutions	460,988	160,827	—	—

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Fund	Blackstone and General Partner Original Commitment	Blackstone and General Partner Remaining Commitment	Senior Managing Directors and Certain Other Professionals (a) Original Commitment	Senior Managing Directors and Certain Other Professionals (a) Remaining Commitment
	(Dollars in Thousands)			
Credit & Insurance				
Mezzanine / Opportunistic II	$ 120,000	$ 29,458	$ 110,101	$ 27,028
Mezzanine / Opportunistic III	130,783	40,612	31,061	9,645
Mezzanine / Opportunistic IV	122,000	112,444	33,378	30,763
European Senior Debt I	63,000	16,521	56,882	14,917
European Senior Debt II	93,010	66,093	22,359	16,082
Stressed / Distressed I	50,000	4,869	27,666	2,694
Stressed / Distressed II	125,000	51,695	119,878	49,576
Stressed / Distressed III	151,000	113,042	31,977	23,938
Energy I	80,000	37,630	75,445	35,487
Energy II	150,000	117,682	25,565	20,057
Credit Alpha Fund	52,102	19,752	50,670	19,209
Credit Alpha Fund II	25,500	13,422	6,126	3,224
Other (b)	145,980	49,678	20,486	3,955
Total Credit & Insurance	1,308,375	672,898	611,594	256,575
Other				
Treasury (c)	806,107	583,228	—	—
	$ 10,181,694	$ 3,775,690	$ 2,500,313	$ 913,815

(a) For some of the general partner commitments shown in the table above, we require our senior managing directors and certain other professionals to fund a portion of the commitment even though the ultimate obligation to fund the aggregate commitment is ours pursuant to the governing agreements of the respective funds. The amounts of the aggregate applicable general partner original and remaining commitment are shown in the table above. In addition, certain senior managing directors and other professionals may be required to fund a de minimis amount of the commitment in certain carry funds. We expect our commitments to be drawn down over time and to be funded by available cash and cash generated from operations and realizations. Taking into account prevailing market conditions and both the liquidity and cash or liquid investment balances, we believe that the sources of liquidity described above will be more than sufficient to fund our working capital requirements.

(b) Represents capital commitments to a number of other funds in each respective segment.

(c) Represents loan origination commitments, revolver commitments and capital market commitments.

As of September 30, 2021, Blackstone Holdings Finance Co. L.L.C. (the "Issuer"), an indirect subsidiary of Blackstone, had issued and outstanding the following senior notes (collectively the "Notes"):

Senior Notes (a)	Aggregate Principal Amount (Dollars/Euros in Thousands)	
4.750%, Due 2/15/2023	$	400,000
2.000%, Due 5/19/2025	€	300,000
1.000%, Due 10/5/2026	€	600,000
3.150%, Due 10/2/2027	$	300,000
1.625%, Due 8/5/2028	$	650,000
1.500%, Due 4/10/2029	€	600,000
2.500%, Due 1/10/2030	$	500,000
1.600%, Due 3/30/2031	$	500,000
2.000%, Due 1/30/2032	$	800,000
6.250%, Due 8/15/2042	$	250,000
5.000%, Due 6/15/2044	$	500,000
4.450%, Due 7/15/2045	$	350,000
4.000%, Due 10/2/2047	$	300,000
3.500%, Due 9/10/2049	$	400,000
2.800%, Due 9/30/2050	$	400,000
2.850%, Due 8/5/2051	$	550,000
	$	7,637,000

(a) The Notes are unsecured and unsubordinated obligations of the Issuer and are fully and unconditionally guaranteed, jointly and severally, by Blackstone Inc. and each of the Blackstone Holdings Partnerships. The Notes contain customary covenants and financial restrictions that, among other things, limit the Issuer and the guarantors' ability, subject to certain exceptions, to incur indebtedness secured by liens on voting stock or profit participating equity interests of their subsidiaries or merge, consolidate or sell, transfer or lease assets. The Notes also contain customary events of default. All or a portion of the Notes may be redeemed at our option, in whole or in part, at any time and from time to time, prior to their stated maturity, at the make-whole redemption price set forth in the Notes. If a change of control repurchase event occurs, the Notes are subject to repurchase at the repurchase price as set forth in the Notes.

Blackstone, through its indirect subsidiary Blackstone Holdings Finance Co. L.L.C., has a $2.25 billion unsecured revolving credit facility (the "Credit Facility") with Citibank, N.A., as administrative agent with a maturity date of November 24, 2025. Borrowings may also be made in U.K. sterling, euros, Swiss francs, Japanese yen or Canadian dollars, in each case subject to certain sub-limits. The Credit Facility contains customary representations, covenants and events of default. Financial covenants consist of a maximum net leverage ratio and a requirement to keep a minimum amount of fee-earning assets under management, each tested quarterly.

Share Repurchase Program

On May 6, 2021, Blackstone's board of directors authorized the repurchase of up to $1.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date.

During the three and nine months ended September 30, 2021, Blackstone repurchased 2.9 million and 6.0 million shares of common stock at a total cost of $355.9 million and $644.9 million, respectively. As of September 30, 2021, the amount remaining available for repurchases under the repurchase program was $402.6 million.

Dividends

Our intention is to pay to holders of common stock a quarterly dividend representing approximately 85% of Blackstone Inc.'s share of Distributable Earnings, subject to adjustment by amounts determined by our board of directors to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and funds, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, clawback obligations and dividends to shareholders for any ensuing quarter. The dividend amount could also be adjusted upward in any one quarter.

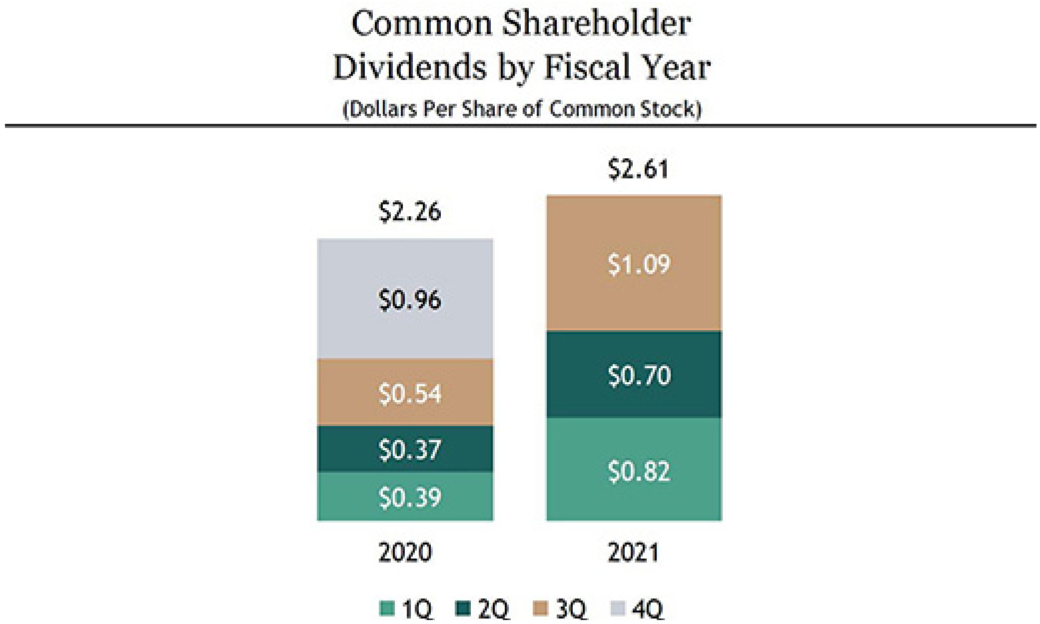
For Blackstone's definition of Distributable Earnings, see "— Key Financial Measures and Indicators."

All of the foregoing is subject to the qualification that the declaration and payment of any dividends are at the sole discretion of our board of directors and our board of directors may change our dividend policy at any time, including, without limitation, to reduce such quarterly dividends or even to eliminate such dividends entirely.

Because the publicly traded entity and/or its wholly owned subsidiaries must pay taxes and make payments under the tax receivable agreements, the amounts ultimately paid as dividends by Blackstone to common shareholders in respect of each fiscal year are generally expected to be less, on a per share or per unit basis, than the amounts distributed by the Blackstone Holdings Partnerships to the Blackstone personnel and others who are limited partners of the Blackstone Holdings Partnerships in respect of their Blackstone Holdings Partnership Units. Following the Conversion, we expect to pay more corporate income taxes than we would have as a limited partnership, which will increase this difference between the per share dividend and per unit distribution amounts.

Dividends are treated as qualified dividends to the extent of Blackstone's current and accumulated earnings and profits, with any excess dividends treated as a return of capital to the extent of the shareholder's basis.

The following graph shows fiscal quarterly and annual per common shareholder dividends for 2021 and 2020. Dividends are declared and paid in the quarter subsequent to the quarter in which they are earned.



With respect to the third quarter of fiscal year 2021, we paid to shareholders of our common stock a dividend of $1.09 per share, aggregating to $2.61 per share of common stock in respect of the nine months ended September 30, 2021. With respect to fiscal year 2020, we paid shareholders aggregate dividends of $2.26 per share.

Leverage

We may under certain circumstances use leverage opportunistically and over time to create the most efficient capital structure for Blackstone and our shareholders. In addition to the borrowings from our note issuances and our revolving credit facility, we may use reverse repurchase agreements, repurchase agreements and securities sold, not yet purchased. All of these positions are held in a separately managed portfolio. Reverse repurchase agreements are entered into primarily to take advantage of opportunistic yields otherwise absent in the overnight markets and also to use the collateral received to cover securities sold, not yet purchased. Repurchase agreements are entered into primarily to opportunistically yield higher spreads on purchased securities. The balances held in these financial instruments fluctuate based on Blackstone's liquidity needs, market conditions and investment risk profiles.

The following table presents information regarding these financial instruments in our Condensed Consolidated Statements of Financial Condition:

	Repurchase Agreements	Securities Sold, Not Yet Purchased
	(Dollars in Millions)	
Balance, September 30, 2021	$ 36.5	$ 35.7
Balance, December 31, 2020	$ 76.8	$ 51.0
Nine Months Ended September 30, 2021		
Average Daily Balance	$ 56.6	$ 40.1
Maximum Daily Balance	$ 75.5	$ 51.0

Contractual Obligations, Commitments and Contingencies

The following table sets forth information relating to our contractual obligations as of September 30, 2021 on a consolidated basis and on a basis deconsolidating the Blackstone Funds:

Contractual Obligations	October 1, 2021 to December 31, 2021	2022-2023	2024-2025	Thereafter	Total
			(Dollars in Thousands)		
Operating Lease Obligations (a)	$ 27,895	$ 244,684	$ 209,541	$ 294,886	$ 777,006
Purchase Obligations	51,335	69,799	7,581	—	128,715
Blackstone Issued Notes and Revolving Credit Facility (b)	—	400,000	347,400	6,889,600	7,637,000
Interest on Blackstone Issued Notes and Revolving Credit Facility (c)	39,773	408,311	379,811	2,630,649	3,458,544
Blackstone Funds Debt Obligations Payable	100	—	—	—	100
Blackstone Funds Capital Commitments to Investee Funds (d)	299,577	—	—	—	299,577
Due to Certain Non-Controlling Interest Holders in Connection with Tax Receivable Agreements (e)	—	112,467	136,946	840,667	1,090,080
Unrecognized Tax Benefits, Including Interest and Penalties (f)	1,120	—	—	—	1,120
Blackstone Operating Entities Capital Commitments to Blackstone Funds and Other (g)	3,775,690	—	—	—	3,775,690
Consolidated Contractual Obligations	4,195,490	1,235,261	1,081,279	10,655,802	17,167,832
Blackstone Funds Debt Obligations Payable	(100)	—	—	—	(100)
Blackstone Funds Capital Commitments to Investee Funds (d)	(299,577)	—	—	—	(299,577)
Blackstone Operating Entities Contractual Obligations	$ 3,895,813	$ 1,235,261	$ 1,081,279	$ 10,655,802	$ 16,868,155

(a) We lease our primary office space and certain office equipment under agreements that expire through 2030. Occupancy lease agreements, in addition to contractual rent payments, generally include additional payments for certain costs incurred by the landlord, such as building expenses, and utilities. To the extent these are fixed or determinable they are included in the table above. The table above includes operating leases that are recognized as Operating Lease Liabilities, short-term leases that are not recorded as Operating Lease Liabilities and leases that have been signed but not yet commenced which are not recorded as Operating Lease Liabilities. The amounts in this table are presented net of contractual sublease commitments.

(b) Represents the principal amount due on the senior notes we issued. As of September 30, 2021, we had no outstanding borrowings under our revolver.

(c) Represents interest to be paid over the maturity of our senior notes and borrowings under our revolving credit facility which has been calculated assuming no pre-payments are made and debt is held until its final maturity date. These amounts exclude commitment fees for unutilized borrowings under our revolver.
(d) These obligations represent commitments of the consolidated Blackstone Funds to make capital contributions to investee funds and portfolio companies. These amounts are generally due on demand and are therefore presented in the less than one year category.
(e) Represents obligations by Blackstone's corporate subsidiary to make payments under the Tax Receivable Agreements to certain non-controlling interest holders for the tax savings realized from the taxable purchases of their interests in connection with the reorganization at the time of Blackstone's IPO in 2007 and subsequent purchases. The obligation represents the amount of the payments currently expected to be made, which are dependent on the tax savings actually realized as determined annually without discounting for the timing of the payments. As required by GAAP, the amount of the obligation included in the Condensed Consolidated Financial Statements and shown in Note 16. "Related Party Transactions" (see "Part I. Item 1. Financial Statements") differs to reflect the net present value of the payments due to certain non-controlling interest holders.
(f) The total represents gross unrecognized tax benefits of $0.5 million and interest and penalties of $0.6 million. In addition, Blackstone is not able to make a reasonably reliable estimate of the timing of payments in individual years in connection with gross unrecognized benefits of $39.1 million and interest of $4.2 million, therefore, such amounts are not included in the above contractual obligations table.
(g) These obligations represent commitments by us to provide general partner capital funding to the Blackstone Funds, limited partner capital funding to other funds and Blackstone principal investment commitments. These amounts are generally due on demand and are therefore presented in the less than one year category; however, a substantial amount of the capital commitments are expected to be called over the next three years. We expect to continue to make these general partner capital commitments as we raise additional amounts for our investment funds over time.

Guarantees

Blackstone and certain of its consolidated funds provide financial guarantees. The amounts and nature of these guarantees are described in Note 17. "Commitments and Contingencies— Contingencies— Guarantees" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Indemnifications

In many of its service contracts, Blackstone agrees to indemnify the third party service provider under certain circumstances. The terms of the indemnities vary from contract to contract and the amount of indemnification liability, if any, cannot be determined and has not been included in the table above or recorded in our Condensed Consolidated Financial Statements as of September 30, 2021.

Clawback Obligations

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceeds the amount due to Blackstone based on cumulative results of that fund. The nature and amounts of Blackstone's clawback obligations are described in Note 17. "Commitments and Contingencies— Contingencies — Contingent Obligations (Clawback)" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item I. Financial Statements" of this filing.

Critical Accounting Policies

We prepare our Condensed Consolidated Financial Statements in accordance with GAAP. In applying many of these accounting principles, we need to make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our Condensed Consolidated Financial Statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are often subjective. Actual results may be affected negatively based on changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. We believe the following critical accounting policies could potentially produce materially different results if we were to change underlying assumptions, estimates and/or judgments. For a description of our accounting policies, see Note 2. "Summary of Significant Accounting Policies" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Principles of Consolidation

For a description of our accounting policy on consolidation, see Note 2. "Summary of Significant Accounting Policies — Consolidation" and Note 9. "Variable Interest Entities" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing for detailed information on Blackstone's involvement with VIEs. The following discussion is intended to provide supplemental information about how the application of consolidation principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

The determination that Blackstone holds a controlling financial interest in a Blackstone Fund or investment vehicle significantly changes the presentation of our condensed consolidated financial statements. In our Condensed Consolidated Statements of Financial Position included in this filing, we present 100% of the assets and liabilities of consolidated VIEs along with a non-controlling interest which represents the portion of the consolidated vehicle's interests held by third parties. However, assets of our consolidated VIEs can only be used to settle obligations of the consolidated VIE and are not available for general use by Blackstone. Further, the liabilities of our consolidated VIEs do not have recourse to the general credit of Blackstone. In the Condensed Consolidated Statements of Operations, we eliminate any management fees, Incentive Fees, or Performance Allocations received or accrued from consolidated VIEs as they are considered intercompany transactions. We recognize 100% of the consolidated VIE's investment income (loss) and allocate the portion of that income (loss) attributable to third party ownership to non-controlling interests in arriving at Net Income Attributable to Blackstone Inc.

The assessment of whether we consolidate a Blackstone Fund or investment vehicle we manage requires the application of significant judgment. These judgments are applied both at the time we become involved with the VIE and on an ongoing basis and include, but are not limited to:

- Determining whether our management fees, Incentive Fees or Performance Allocations represent variable interests – We make judgments as to whether the fees we earn are commensurate with the level of effort required for those fees and at market rates. In making this judgment, we consider, among other things, the extent of third party investment in the entity and the terms of any other interests we hold in the VIE.

- Determining whether kick-out rights are substantive – We make judgments as to whether the third party investors in a partnership entity have the ability to remove the general partner, the investment manager or its equivalent, or to dissolve (liquidate) the partnership entity, through a simple majority vote. This includes an evaluation of whether barriers to exercise these rights exist.

- Concluding whether Blackstone has an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE – As there is no explicit threshold in GAAP to define "potentially significant," management must apply judgment and evaluate both quantitative and qualitative factors to conclude whether this threshold is met.

Revenue Recognition

For a description of our accounting policy on revenue recognition, see Note 2. “Summary of Significant Accounting Policies — Revenue Recognition” in the “Notes to Condensed Consolidated Financial Statements” in “Part I. Item 1. Financial Statements.” For an additional description of the nature of our revenue arrangements, including how management fees, Incentive Fees, and Performance Allocations are generated, please refer to “Part I. Item 1. Business — Fee Structure/Incentive Arrangements” in our Annual Report on Form 10-K for the year ended December 31, 2020. The following discussion is intended to provide supplemental information about how the application of revenue recognition principles impact our financial results, and management’s process for implementing those principles including areas of significant judgment.

Management and Advisory Fees, Net — Blackstone earns base management fees from the investors in its managed funds and investment vehicles, at a fixed percentage of a calculation base, which is typically assets under management, net asset value, total assets, committed capital or invested capital. The range of management fee rates and the calculation base from which they are earned, generally, are as follows:

On private equity, real estate, and certain of our hedge fund solutions and credit-focused funds:

- 0.25% to 1.75% of committed capital or invested capital during the investment period,
- 0.25% to 1.50% of invested capital, committed capital or investment fair value subsequent to the investment period for private equity and real estate funds, and
- 1.00% to 1.50% of invested capital or net asset value subsequent to the investment period for certain of our hedge fund solutions and credit-focused funds.

On real estate and credit-focused funds structured like hedge funds:

- 0.24% to 1.50% of net asset value.

On credit and insurance-focused separately managed accounts:

- 0.20% to 1.50% of net asset value or total assets.

On real estate separately managed accounts:

- 0.65% to 2.00% of invested capital, net operating income or net asset value.

On funds of hedge funds, certain hedge funds and separately managed accounts invested in hedge funds:

- 0.25% to 1.50% of net asset value.

On CLO vehicles:

- 0.40% to 0.50% of the aggregate par amount of collateral assets, including principal cash.

On credit-focused registered and non-registered investment companies:

- 0.25% to 1.25% of total assets or net asset value.

The investment adviser of BXMT receives annual management fees based on 1.50% of BXMT’s net proceeds received from equity offerings and accumulated “distributable earnings” (which is generally equal to its GAAP net income excluding certain non-cash and other items), subject to certain adjustments. The investment adviser of BREIT receives a management fee of 1.25% per annum of net asset value, payable monthly.

Management fee calculations based on committed capital or invested capital are mechanical in nature and therefore do not require the use of significant estimates or judgments. Management fee calculations based on net asset value, total assets, or investment fair value depend on the fair value of the underlying investments within the funds. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used as well as economic conditions. See "— Fair Value" below for further discussion of the judgment required for determining the fair value of the underlying investments.

Investment Income (Loss) — Performance Allocations are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. Blackstone has concluded that investments made alongside its limited partners in a partnership which entitle Blackstone to a Performance Allocation represent equity method investments that are not in the scope of the GAAP guidance on accounting for revenues from contracts with customers. Blackstone accounts for these arrangements under the equity method of accounting. Under the equity method, Blackstone's share of earnings (losses) from equity method investments is determined using a balance sheet approach referred to as the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, at the end of each reporting period Blackstone calculates the accrued Performance Allocations that would be due to Blackstone for each fund pursuant to the fund agreements as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. Performance Allocations are subject to clawback to the extent that the Performance Allocation received to date exceeds the amount due to Blackstone based on cumulative results.

The change in the fair value of the investments held by certain Blackstone Funds is a significant input into the accrued Performance Allocation calculation and accrual for potential repayment of previously received Performance Allocations. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds. See "— Fair Value" below for further discussion related to significant estimates and assumptions used for determining fair value of the underlying investments.

Fair Value

Blackstone uses fair value throughout the reporting process. For a description of our accounting policies related to valuation, see Note 2. "Summary of Significant Accounting Policies — COVID-19 and Global Economic Market Conditions," "Summary of Significant Accounting Policies — Fair Value of Financial Instruments" and "Summary of Significant Accounting Policies — Investments, at Fair Value" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing. The following discussion is intended to provide supplemental information about how the application of fair value principles impact our financial results, and management's process for implementing those principles including areas of significant judgment.

The fair value of the investments held by Blackstone Funds is the primary input to the calculation of certain of our management fees, Incentive Fees, Performance Allocations and the related Compensation we recognize. The Blackstone Funds are accounted for as investment companies under the American Institute of Certified Public Accountants Accounting and Auditing Guide, *Investment Companies*, and in accordance with the GAAP guidance on investment companies and reflect their investments, including majority owned and controlled investments (the "Portfolio Companies"), at fair value. In the absence of observable market prices, we utilize valuation methodologies applied on a consistent basis and assumptions that we believe market participants would use to determine the fair value of the investments. For investments where little market activity exists management's determination of fair value is based on the best information available in the circumstances, which may incorporate management's own assumptions and involves a significant degree of judgment, and the consideration of a combination of internal and external factors, including the appropriate risk adjustments for non-performance and liquidity risks.

Blackstone has also elected the fair value option for certain instruments it owns directly, including loans and receivables and investments in private debt securities, the assets of consolidated CLO vehicles and other proprietary investments. Blackstone is required to measure certain financial instruments at fair value, including debt instruments, equity securities and freestanding derivatives.

Fair Value of Investments or Instruments that are Publicly Traded

Securities that are publicly traded and for which a quoted market exists will be valued at the closing price of such securities in the principal market in which the security trades, or in the absence of a principal market, in the most advantageous market on the valuation date. When a quoted price in an active market exists, no block discounts or control premiums are permitted regardless of the size of the public security held. In some cases, securities will include legal and contractual restrictions limiting their purchase and sale for a period of time, such as may be required under SEC Rule 144. A discount to publicly traded price may be appropriate in those cases; the amount of the discount, if taken, shall be determined based on the time period that must pass before the restricted security becomes unrestricted or otherwise available for sale.

Fair Value of Investments or Instruments that are not Publicly Traded

Investments for which market prices are not observable include private investments in the equity or debt of operating companies or real estate properties. Our primary methodology for determining the fair values of such investments is generally the income approach which provides an indication of fair value based on the present value of cash flows that a business, security, or property is expected to generate in the future. The most widely used methodology under the income approach is the discounted cash flow method which includes significant assumptions about the underlying investment's projected net earnings or cash flows, discount rate, capitalization rate and exit multiple. Our secondary methodology, generally used to corroborate the results of the income approach, is typically the market approach. The most widely used methodology under the market approach relies upon valuations for comparable public companies, transactions, or assets, and includes making judgments about which companies, transactions, or assets are comparable. Depending on the facts and circumstances associated with the investment, different primary and secondary methodologies may be used including option value, contingent claims or scenario analysis, yield analysis, projected cash flow-through maturity or expiration, probability weighted methods or recent round of financing.

In certain cases debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices and market transactions in comparable investments and various relationships between investments.

Management Process on Fair Value

Due to the importance of fair value throughout the condensed consolidated financial statements and the significant judgment required to be applied in arriving at those fair values, we have developed a process around valuation that incorporates several levels of approval and review from both internal and external sources. Investments held by Blackstone Funds and investment vehicles are valued on at least a quarterly basis by our internal valuation or asset management teams, which are independent from our investment teams.

For investments valued utilizing the income method, and where Blackstone has information rights, we generally have a direct line of communication with each of the Portfolio Company finance teams and collect financial data used to support projections used in a discounted cash flow analysis. The respective business unit's valuation team then analyzes the data received and updates the valuation models reflecting any changes in the underlying cash flow projections, weighted-average cost of capital, exit multiple, and any other valuation input relevant economic conditions.

The results of all valuations of investments held by Blackstone Fund and investment vehicles are reviewed and approved by the relevant business unit's valuation sub-committee, which is comprised of key personnel from the business unit, typically the chief investment officer, chief operating officer, chief financial officer, chief compliance officer (or their respective equivalents where applicable) and other senior managing directors in the business. To further corroborate results, each business unit also generally obtains either a positive assurance opinion or a range of value from an independent valuation party, at least annually for internally prepared valuations for investments that have been held by Blackstone Funds and investment vehicles for greater than a year and quarterly for certain investments. Our firmwide valuation committee, chaired by our Chief Financial Officer and comprised of senior members of our businesses and representatives from corporate functions, including legal and finance, reviews the valuation process for investments held by us and our investment vehicles, including the application of appropriate valuation standards on a consistent basis. Each quarter, the valuation process is also reviewed by the audit committee of our board of directors, which is comprised of our employee directors.

The global outbreak of COVID-19 required management to make significant judgments about the ultimate adverse impact of COVID-19 on financial markets and economic conditions. These judgments and estimates were incorporated into the valuation process outlined herein. Management's policies were unchanged and certain critical processes were executed in a remote working environment.

Income Tax

For a description of our accounting policy on taxes and additional information on taxes see Note 2. "Summary of Significant Accounting Policies" in "Part II. Item 8. Financial Statements and Supplementary Data" in our Annual Report on Form 10-K for the year ended December 31, 2020. For additional information on taxes see Note 13. "Income Taxes" in the "Notes to Consolidated Financial Statements" in "— Item 8. Financial Statements and Supplementary Data" of this filing and Note 15. "Income Taxes" in "Part II. Item 8. Financial Statements and Supplementary Data" in our Annual Report on Form 10-K for the year ended December 31, 2020.

Our provision for income taxes is composed of current and deferred taxes. Current income taxes approximate taxes to be paid or refunded for the current period. Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the applicable enacted tax rates and laws that will be in effect when such differences are expected to reverse. The Conversion resulted in a step-up in the tax basis of certain assets that will be recovered as those assets are sold or the basis is amortized.

Additionally, significant judgment is required in estimating the provision for (benefit from) income taxes, current and deferred tax balances (including valuation allowance), accrued interest or penalties and uncertain tax positions. In evaluating these judgments, we consider, among other items, projections of taxable income (including the character of such income), beginning with historic results and incorporating assumptions of the amount of future pretax operating income. These assumptions about future taxable income require significant judgment and are consistent with the plans and estimates that Blackstone uses to manage its business. A portion of the deferred tax assets are not considered to be more likely than not to be realized due to the character of income necessary for recovery. For that portion of the deferred tax assets, a valuation allowance has been recorded.

Revisions in estimates and/or actual costs of a tax assessment may ultimately be materially different from the recorded accruals and unrecognized tax benefits, if any.

Off-Balance Sheet Arrangements

In the normal course of business, we engage in off-balance sheet arrangements, including transactions in derivatives, guarantees, commitments, indemnifications and potential contingent repayment obligations. We do not have any off-balance sheet arrangements that would require us to fund losses or guarantee target returns to investors in our funds.

Further disclosure on our off-balance sheet arrangements is presented in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing as follows:

- Note 9. "Variable Interest Entities," and
- Note 17. "Commitments and Contingencies — Commitments — Investment Commitments" and "— Contingencies — Guarantees."

Recent Accounting Developments

Information regarding recent accounting developments and their impact on Blackstone can be found in Note 2. "Summary of Significant Accounting Policies" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

Interbank Offered Rates Transition

Certain jurisdictions are currently reforming or phasing out their benchmark interest rates, most notably the London Interbank Offered Rates ("LIBOR") across multiple currencies. The timing of the anticipated reforms or phase-outs vary by jurisdiction, with most of the reforms or phase-outs currently scheduled to take effect by the end of calendar year 2021 and certain U.S. dollar LIBOR tenors persisting through June 2023. Blackstone is evaluating the impact of such changes on existing transactions and contractual arrangements and managing transition efforts. See "Part I. Item 1A. Risk Factors — Risks Related to Our Business — Interest rates on our and our portfolio companies' outstanding financial instruments might be subject to change based on regulatory developments, which could adversely affect our revenue, expenses and the value of those financial instruments." in our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our predominant exposure to market risk is related to our role as general partner or investment adviser to the Blackstone Funds and the sensitivities to movements in the fair value of their investments, including the effect on management fees, performance revenues and investment income. There were no material changes in our market risks as of September 30, 2021 as compared to December 31, 2020. For additional information, refer to our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 4. Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective at the reasonable assurance level to accomplish their objectives of ensuring that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

No change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during our most recent quarter, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. See "Part I. Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020. We are not currently subject to any pending legal (including judicial, regulatory, administrative or arbitration) proceedings that we expect to have a material impact on our consolidated financial statements. However, given the inherent unpredictability of these types of proceedings and the potentially large and/or indeterminate amounts that could be sought, an adverse outcome in certain matters could have a material effect on Blackstone's financial results in any particular period. See "Part I. Item 1. Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 17. Commitments and Contingencies — Contingencies — Litigation."

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 and in our subsequently filed periodic reports as such factors may be updated from time to time, all of which are accessible on the Securities and Exchange Commission's website at www.sec.gov.

See "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Business Environment" in this report for a discussion of the conditions in the financial markets and economic conditions affecting our businesses. This discussion updates, and should be read together with, the risk factors entitled "The global outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. and global economies and has adversely impacted, and may continue to adversely impact, our performance and results of operations" and "Difficult market and geopolitical conditions can adversely affect our business in many ways, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition" in our Annual Report on Form 10-K for the year ended December 31, 2020.

The risks described in our Annual Report on Form 10-K and in our subsequently filed periodic reports are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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

The following table sets forth information regarding repurchases of shares of our common stock during the quarter ended September 30, 2021:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (Dollars in Thousands) (a)
Jul. 1 - Jul. 31, 2021	—	$ —	—	$ 758,433
Aug. 1 - Aug. 31, 2021	1,259,609	$ 117.59	1,259,609	$ 610,313
Sep. 1 - Sep. 30, 2021	1,615,391	$ 128.60	1,615,391	$ 402,580
	2,875,000		2,875,000	

(a) On May 6, 2021, Blackstone's board of directors authorized the repurchase of up to $1.0 billion of common stock and Blackstone Holdings Partnership Units. Under the repurchase program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The repurchase program may be changed, suspended or discontinued at any time and does not have a specified expiration date. See "Part I. Item 1. Financial Statements – Notes to Condensed Consolidated Financial Statements – Note 14. Earnings Per Share and Stockholders' Equity — Share Repurchase Program" and "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Share Repurchase Program" for further information regarding this repurchase program.

As permitted by our policies and procedures governing transactions in our securities by our directors, executive officers and other employees, from time to time some of these persons may establish plans or arrangements complying with Rule 10b5-1 under the Exchange Act, and similar plans and arrangements relating to our common stock and Blackstone Holdings Partnership Units.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104.	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 4, 2021

Blackstone Inc.

/s/ Michael S. Chae

Name: Michael S. Chae
Title: Chief Financial Officer
(Principal Financial Officer and
Authorized Signatory)

Exhibit 31.1

Chief Executive Officer Certification

I, Stephen A. Schwarzman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 of Blackstone Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 4, 2021

/s/ Stephen A. Schwarzman

Stephen A. Schwarzman
Chief Executive Officer

Exhibit 31.2

Chief Financial Officer Certification

I, Michael S. Chae, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 of Blackstone Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: November 4, 2021

/s/ Michael S. Chae

Michael S. Chae
Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Blackstone Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephen A. Schwarzman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date: November 4, 2021

/s/ Stephen A. Schwarzman
Stephen A. Schwarzman
Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Blackstone Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael S. Chae, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

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

Date: November 4, 2021

/s/ Michael S. Chae
Michael S. Chae
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.