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 MARCH 31, 2023**

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 April 28, 2023, there were 706,084,809 shares of common stock of the registrant outstanding.

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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," "opportunity," "leads," "forecast" 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 those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, 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.

In this report, references to "Blackstone," the "Company," "we," "us" or "our" refer to Blackstone Inc. and its consolidated subsidiaries.

"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 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 that target substantially stabilized assets in prime markets, as Blackstone Property Partners ("BPP") funds and our income-generating European real estate funds as Blackstone European Property Income ("BEPIF") funds. We refer to BREIT, BPP and BEPIF collectively as our Core+ real estate strategies.

We refer to our flagship corporate private equity funds as Blackstone Capital Partners ("BCP") funds, our energy-focused private equity funds as Blackstone Energy Transition Partners ("BETP") 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 investment platform as Blackstone Life Sciences ("BXLS"), our growth equity investment platform as 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").

"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 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, BREIT, and BEPIF,

(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 and BDCs,

(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, Credit & Insurance and Hedge Fund Solutions segments generally have structures that afford an investor the right to withdraw or redeem their interests on a periodic basis (for example, annually, quarterly or monthly), typically with 2 to 95 days' notice, depending on the fund and the liquidity profile of the underlying assets. In our Perpetual Capital vehicles where redemption rights exist, Blackstone has the ability to fulfill redemption requests only (a) in Blackstone's or the vehicles' board's discretion, as applicable, or (b) to the extent there is sufficient new capital. Investment advisory agreements related to certain separately managed accounts in our Credit & Insurance and Hedge Fund Solutions segments, excluding our BIS separately managed accounts, may generally be terminated by an investor on 30 to 90 days' notice. Our BIS separately managed accounts can generally only be terminated for long-term underperformance, cause and certain other limited circumstances, in each case subject to Blackstone's right to cure.

"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, Real Estate segment carry funds including certain BREDS funds, and certain 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, BEPIF, 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 and BDCs.

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)

	March 31, 2023	December 31, 2022
Assets		
Cash and Cash Equivalents	$ 2,830,971	$ 4,252,003
Cash Held by Blackstone Funds and Other	190,322	241,712
Investments	26,985,951	27,553,251
Accounts Receivable	924,934	462,904
Due from Affiliates	4,099,765	4,146,707
Intangible Assets, Net	230,295	217,287
Goodwill	1,890,202	1,890,202
Other Assets	833,232	800,458
Right-of-Use Assets	894,067	896,981
Deferred Tax Assets	2,206,700	2,062,722
Total Assets	$ 41,086,439	$ 42,524,227
Liabilities and Equity		
Loans Payable	$ 12,311,469	$ 12,349,584
Due to Affiliates	1,974,182	2,118,481
Accrued Compensation and Benefits	5,470,773	6,101,801
Securities Sold, Not Yet Purchased	3,881	3,825
Repurchase Agreements	19,563	89,944
Operating Lease Liabilities	1,016,808	1,021,454
Accounts Payable, Accrued Expenses and Other Liabilities	1,575,938	1,158,071
Total Liabilities	22,372,614	22,843,160
Commitments and Contingencies		
Redeemable Non-Controlling Interests in Consolidated Entities	1,644,697	1,715,006
Equity		
Stockholders' Equity of Blackstone Inc.		
Common Stock, $0.00001 par value, 90 billion shares authorized, (712,794,968 shares issued and outstanding as of March 31, 2023; 710,276,923 shares issued and outstanding as of December 31, 2022)	7	7
Series I Preferred Stock, $0.00001 par value, 999,999,000 shares authorized, (1 share issued and outstanding as of March 31, 2023 and December 31, 2022)	—	—
Series II Preferred Stock, $0.00001 par value, 1,000 shares authorized, (1 share issued and outstanding as of March 31, 2023 and December 31, 2022)	—	—
Additional Paid-in-Capital	5,957,054	5,935,273
Retained Earnings	1,156,109	1,748,106
Accumulated Other Comprehensive Loss	(22,333)	(27,475)
Total Stockholders' Equity of Blackstone Inc.	7,090,837	7,655,911
Non-Controlling Interests in Consolidated Entities	5,058,090	5,056,480
Non-Controlling Interests in Blackstone Holdings	4,920,201	5,253,670
Total Equity	17,069,128	17,966,061
Total Liabilities and Equity	$ 41,086,439	$ 42,524,227

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.

	March 31, 2023	December 31, 2022
Assets		
Cash Held by Blackstone Funds and Other	$ 190,322	$ 241,712
Investments	5,443,867	5,136,542
Accounts Receivable	39,006	55,223
Due from Affiliates	23,041	7,152
Other Assets	2,523	2,159
Total Assets	$ 5,698,759	$ 5,442,788
Liabilities		
Loans Payable	$ 1,742,452	$ 1,450,000
Due to Affiliates	87,523	82,345
Accounts Payable, Accrued Expenses and Other Liabilities	124,658	25,858
Total Liabilities	$ 1,954,633	$ 1,558,203

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 March 31, 2023	Three Months Ended March 31, 2022
Revenues		
Management and Advisory Fees, Net	$ 1,658,315	$ 1,475,936
Incentive Fees	142,876	104,489
Investment Income (Loss)		
Performance Allocations		
Realized	646,894	1,766,386
Unrealized	(759,212)	1,293,050
Principal Investments		
Realized	108,058	285,104
Unrealized	(491,417)	73,961
Total Investment Income (Loss)	(495,677)	3,418,501
Interest and Dividend Revenue	90,485	54,485
Other	(14,154)	72,869
Total Revenues	1,381,845	5,126,280
Expenses		
Compensation and Benefits		
Compensation	716,285	656,505
Incentive Fee Compensation	63,281	41,019
Performance Allocations Compensation		
Realized	296,794	717,601
Unrealized	(313,249)	472,284
Total Compensation and Benefits	763,111	1,887,409
General, Administrative and Other	273,394	240,674
Interest Expense	104,441	66,747
Fund Expenses	48,399	2,192
Total Expenses	1,189,345	2,197,022
Other Income		
Change in Tax Receivable Agreement Liability	(5,208)	761
Net Gains from Fund Investment Activities	71,064	50,876
Total Other Income	65,856	51,637
Income Before Provision for Taxes	258,356	2,980,895
Provision for Taxes	47,675	483,281
Net Income	210,681	2,497,614
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(6,700)	5,052
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	74,869	216,375
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	56,700	1,059,313
Net Income Attributable to Blackstone Inc.	$ 85,812	$ 1,216,874
Net Income Per Share of Common Stock		
Basic	$ 0.12	$ 1.66
Diluted	$ 0.11	$ 1.66
Weighted-Average Shares of Common Stock Outstanding		
Basic	746,064,922	734,327,015
Diluted	746,643,929	734,966,915

See notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2023	**2022**
Net Income	$ 210,681	$ 2,497,614
Other Comprehensive Income (Loss) – Currency Translation Adjustment	29,400	(9,399)
Comprehensive Income	240,081	2,488,215
Less:		
Comprehensive Income Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	14,010	5,052
Comprehensive Income Attributable to Non-Controlling Interests in Consolidated Entities	74,869	216,375
Comprehensive Income Attributable to Non-Controlling Interests in Blackstone Holdings	60,248	1,056,042
Comprehensive Income Attributable to Non-Controlling Interests	149,127	1,277,469
Comprehensive Income Attributable to Blackstone Inc.	$ 90,954	$ 1,210,746

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, 2022	710,276,923	$ 7	$ 5,935,273	$ 1,748,106	$ (27,475)	$ 7,655,911	$ 5,056,480	$ 5,253,670	$17,966,061	$ 1,715,006
Transfer Out Due to Deconsolidation of Fund Entities	—	—	—	—	—	—	—	—	—	(53,713)
Net Income (Loss)	—	—	—	85,812	—	85,812	74,869	56,700	217,381	(6,700)
Currency Translation Adjustment	—	—	—	—	5,142	5,142	—	3,548	8,690	20,710
Capital Contributions	—	—	—	—	—	—	123,952	2,447	126,399	51,092
Capital Distributions	—	—	—	(677,809)	—	(677,809)	(194,866)	(461,978)	(1,334,653)	(81,698)
Transfer of Non-Controlling Interests in Consolidated Entities	—	—	—	—	—	—	(2,345)	—	(2,345)	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders	—	—	2,001	—	—	2,001	—	—	2,001	—
Equity-Based Compensation	—	—	117,227	—	—	117,227	—	76,468	193,695	—
Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock	2,143,256	—	(18,004)	—	—	(18,004)	—	—	(18,004)	—
Repurchase of Shares of Common Stock and Blackstone Holdings Partnership Units	(1,000,000)	—	(90,097)	—	—	(90,097)	—	—	(90,097)	—
Change in Blackstone Inc.'s Ownership Interest	—	—	(4,927)	—	—	(4,927)	—	4,927	—	—
Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock	1,374,789	—	15,581	—	—	15,581	—	(15,581)	—	—
Balance at March 31, 2023	712,794,968	$ 7	$ 5,957,054	$ 1,156,109	$ (22,333)	$ 7,090,837	$ 5,058,090	$ 4,920,201	$17,069,128	$ 1,644,697

(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, 2021	704,339,774	$ 7	$ 5,794,727	$ 3,647,785	$ (19,626)	$ 9,422,893	$ 5,600,653	$ 6,614,472	$21,638,018	$ 68,028
Net Income	—	—	—	1,216,874	—	1,216,874	216,375	1,059,313	2,492,562	5,052
Currency Translation Adjustment	—	—	—	—	(6,128)	(6,128)	—	(3,271)	(9,399)	—
Capital Contributions	—	—	—	—	—	—	192,338	2,486	194,824	—
Capital Distributions	—	—	—	(1,058,741)	—	(1,058,741)	(252,846)	(901,789)	(2,213,376)	(31,650)
Transfer of Non-Controlling Interests in Consolidated Entities	—	—	—	—	—	—	(8,822)	—	(8,822)	—
Deferred Tax Effects Resulting from Acquisition of Ownership Interests from Non-Controlling Interest Holders	—	—	3,272	—	—	3,272	—	—	3,272	—
Equity-Based Compensation	—	—	80,901	—	—	80,901	—	53,678	134,579	—
Net Delivery of Vested Blackstone Holdings Partnership Units and Shares of Common Stock	1,892,172	—	(32,061)	—	—	(32,061)	—	—	(32,061)	—
Change in Blackstone Inc.'s Ownership Interest	—	—	19,519	—	—	19,519	—	(19,519)	—	—
Conversion of Blackstone Holdings Partnership Units to Shares of Common Stock	948,884	—	13,438	—	—	13,438	—	(13,438)	—	—
Balance at March 31, 2022	707,180,830	$ 7	$ 5,879,796	$ 3,805,918	$ (25,754)	$ 9,659,967	$ 5,747,698	$ 6,791,932	$22,199,597	$ 41,430

(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)

	Three Months Ended March 31,	
	2023	2022
Operating Activities		
Net Income	$ 210,681	$ 2,497,614
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Blackstone Funds Related		
Net Realized Gains on Investments	(924,643)	(2,154,499)
Changes in Unrealized (Gains) Losses on Investments	508,398	(101,802)
Non-Cash Performance Allocations	759,212	(1,293,050)
Non-Cash Performance Allocations and Incentive Fee Compensation	46,827	1,230,904
Equity-Based Compensation Expense	277,431	219,083
Amortization of Intangibles	12,996	18,698
Other Non-Cash Amounts Included in Net Income	(348,203)	(215,753)
Cash Flows Due to Changes in Operating Assets and Liabilities		
Cash Relinquished with Deconsolidation of Fund Entities	(113,588)	—
Accounts Receivable	(470,691)	169,644
Due from Affiliates	151,635	722,779
Other Assets	12,284	118,945
Accrued Compensation and Benefits	(483,939)	(1,079,703)
Securities Sold, Not Yet Purchased	(3)	16
Accounts Payable, Accrued Expenses and Other Liabilities	233,965	52,257
Repurchase Agreements	(70,381)	19,310
Due to Affiliates	(65,276)	22,831
Investments Purchased	(1,130,045)	(773,867)
Cash Proceeds from Sale of Investments	1,746,068	3,295,094
Net Cash Provided by Operating Activities	352,728	2,748,501
Investing Activities		
Purchase of Furniture, Equipment and Leasehold Improvements	(69,557)	(56,152)
Net Cash Paid for Acquisitions, Net of Cash Acquired	(5,413)	—
Net Cash Used in Investing Activities	(74,970)	(56,152)
Financing Activities		
Distributions to Non-Controlling Interest Holders in Consolidated Entities	(215,124)	(284,496)
Contributions from Non-Controlling Interest Holders in Consolidated Entities	173,657	181,824
Payments Under Tax Receivable Agreement	(64,634)	(46,880)
Net Settlement of Vested Common Stock and Repurchase of Common Stock and Blackstone Holdings Partnership Units	(108,101)	(32,061)
Proceeds from Loans Payable	78	1,481,644

continued...

See notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2023	2022
Financing Activities (Continued)		
Repayment and Repurchase of Loans Payable	$ (400,000)	$ (250,101)
Dividends/Distributions to Stockholders and Unitholders	(1,137,340)	(1,958,044)
Net Cash Used in Financing Activities	(1,751,464)	(908,114)
Effect of Exchange Rate Changes on Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other	1,284	(4,752)
Cash and Cash Equivalents and Cash Held by Blackstone Funds and Other		
Net Increase (Decrease)	(1,472,422)	1,779,483
Beginning of Period	4,493,715	2,199,732
End of Period	$ 3,021,293	$ 3,979,215
Supplemental Disclosure of Cash Flows Information		
Payments for Interest	$ 99,096	$ 75,184
Payments for Income Taxes	$ 53,504	$ 41,394
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Non-Cash Contributions from Non-Controlling Interest Holders	$ 2,447	$ 4,227
Non-Cash Distributions to Non-Controlling Interest Holders	$ (61,440)	$ —
Notes Issuance Costs	$ —	$ 14,226
Transfer of Interests to Non-Controlling Interest Holders	$ (2,345)	$ (8,822)
Change in Blackstone Inc.'s Ownership Interest	$ (4,927)	$ 19,519
Net Settlement of Vested Common Stock	$ 191,144	$ 131,087
Conversion of Blackstone Holdings Units to Common Stock	$ 15,581	$ 13,438
Acquisition of Ownership Interests from Non-Controlling Interest Holders		
Deferred Tax Asset	$ (33,492)	$ (33,503)
Due to Affiliates	$ 31,491	$ 30,231
Equity	$ 2,001	$ 3,272

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:

	March 31, 2023	December 31, 2022
Cash and Cash Equivalents	$ 2,830,971	$ 4,252,003
Cash Held by Blackstone Funds and Other	190,322	241,712
	$ 3,021,293	$ 4,493,715

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, infrastructure, life sciences, growth equity, 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, Credit & Insurance and Hedge Fund Solutions.

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, 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").

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, 2022 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.

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 its customers, at a fixed percentage of a calculation base which is typically assets under management, net asset value, gross asset value, total assets, committed capital or invested capital. Blackstone identifies its customers on a fund by fund basis in accordance with the terms and circumstances of the individual fund. Generally, the customer is identified as the investors in its managed funds and investment vehicles, but for certain widely held funds or vehicles, the fund or vehicle itself may be identified as the customer. 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 investors 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 investors 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 investors 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 investors of the Blackstone Funds, which are based on the amount such investors 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 investors 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 investors of the funds recorded as Management and Advisory Fees, Net. In cases where the investors 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 Consolidated Statements of Financial Condition and amortization is recorded within General, Administrative and Other within the 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 vehicles ("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 performance of the vehicle 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 vehicle'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 vehicles 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 and certain open-ended 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 vehicle (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 in carry fund structures are made to the general partner based on cumulative fund performance to date, subject to a preferred return to limited partners. Performance Allocations in open-ended structures are based on vehicle performance over a period of time, subject to a high water mark and preferred return to investors. 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 in carry fund structures 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 in carry fund structures 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. Performance Allocations in open-ended structures are realized based on the stated time period in the agreements and are generally not subject to clawback once paid.

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 consolidated collateralized loan obligations ("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. Notes issued by consolidated 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, investments in non-consolidated CLOs 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, debt securities sold, not yet purchased and 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 including those 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.

- Notes issued by consolidated CLO vehicles are measured 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, investments in non-consolidated CLO vehicles, 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 analysis. Where a discounted cash flow method is used, a terminal value is derived by reference to an exit multiple, such as earnings before interest, taxes, depreciation and amortization ("EBITDA"), or a capitalization rate. 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.

Private Equity Investments – The fair values of private equity investments are determined by reference to projected net earnings, 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. Where a discounted cash flow method is used, a terminal value is derived by reference to EBITDA or price/earnings exit multiples. Valuations may also 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.

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

Generally, 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 (Losses) 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 or other eligible election dates. 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 notes issued by 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 notes payable within Loans Payable for the amounts due to unaffiliated third parties. 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.”

Blackstone may elect to measure certain proprietary investments in equity securities without readily determinable fair values under the measurement alternative, which reflects cost less impairment, with adjustments in value resulting from observable price changes arising from orderly transactions of the same or a similar security from the same issuer. If the measurement alternative election is not made, the equity security is measured at fair value. The measurement alternative election is made on an instrument by instrument basis. The election is reassessed each reporting period to determine whether investments under the measurement alternative have readily determinable fair values, in which case they would no longer be eligible for this election.

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 generally 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 condensed consolidated 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.

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 and awards settled in a variable number of shares 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. Performance Allocations Compensation is generally 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 general partner entities and consolidated Blackstone Funds held by third party investors and employees. The percentage interests in consolidated Blackstone Funds 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. Income (Loss) and other comprehensive income, if applicable, arising from the respective entities 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

Investors in certain consolidated vehicles may be granted redemption rights that allow for quarterly or monthly redemption, as outlined in the relevant governing documents. Such redemption rights may be subject to certain limitations, including limits on the aggregate amount of interests that may be redeemed in a given period, may only allow for redemption 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 a result, amounts relating to third party interests in such consolidated vehicles 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 vehicles 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.

Income Taxes

Provision of Income Taxes

Income taxes are provided for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities, resulting in all pretax amounts being appropriately tax effected in the period, irrespective of which tax return year items will be reflected. Blackstone reports interest expense and tax penalties related to income tax matters in provision for income taxes.

Deferred Income Taxes

Deferred income taxes reflect the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Valuation allowances are established to reduce the deferred tax assets to the amount that is more likely than not to be realized. Deferred tax assets are separately stated, and deferred tax liabilities are included in Accounts Payable, Accrued Expenses, and Other Liabilities in the condensed consolidated financial statements.

Unrecognized Tax Benefits

Blackstone recognizes tax positions in the condensed consolidated financial statements when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in the return and amounts recognized in the condensed consolidated financial statements.

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. Blackstone applies the contingently issuable share model to contracts that may require the issuance of shares.

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").

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.

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

Dividends

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

3. Intangible Assets

Intangible Assets, Net consists of the following:

	March 31, 2023	December 31, 2022
Finite-Lived Intangible Assets/Contractual Rights	$ 1,771,380	$ 1,745,376
Accumulated Amortization	(1,541,085)	(1,528,089)
Intangible Assets, Net	$ 230,295	$ 217,287

Amortization expense associated with Blackstone's intangible assets was $13.0 million and $18.7 million for the three months ended March 31, 2023 and 2022, respectively.

Amortization of Intangible Assets held at March 31, 2023 is expected to be $39.5 million, $35.3 million, $35.3 million, $35.1 million and $34.0 million for each of the years ending December 31, 2023, 2024, 2025, 2026, and 2027, respectively. Blackstone's Intangible Assets as of March 31, 2023 are expected to amortize over a weighted-average period of 6.3 years.

4. Investments

Investments consist of the following:

	March 31, 2023	December 31, 2022
Investments of Consolidated Blackstone Funds	$ 5,443,867	$ 5,136,966
Equity Method Investments		
Partnership Investments	5,598,552	5,530,419
Accrued Performance Allocations	11,517,750	12,360,684
Corporate Treasury Investments	958,632	1,053,540
Other Investments	3,467,150	3,471,642
	$ 26,985,951	$ 27,553,251

Blackstone's share of Investments of Consolidated Blackstone Funds totaled $289.2 million and $393.9 million at March 31, 2023 and December 31, 2022, 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 March 31,	
	2023	2022
Realized Gains	$ 17,155	$ 17,688
Net Change in Unrealized Gains (Losses)	(17,154)	27,841
Realized and Net Change in Unrealized Gains from Consolidated Blackstone Funds	1	45,529
Interest and Dividend Revenue Attributable to Consolidated Blackstone Funds	71,063	5,347
Other Income – Net Gains from Fund Investment Activities	$ 71,064	$ 50,876

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, excluding any equity method investments for which the fair value option has been elected. 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 three months ended March 31, 2023 and 2022, 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 $69.2 million and $336.3 million for the three months ended March 31, 2023 and 2022, respectively.

Accrued Performance Allocations

Accrued Performance Allocations to Blackstone were as follows:

	Real Estate	Private Equity	Credit & Insurance	Hedge Fund Solutions	Total
Accrued Performance Allocations, December 31, 2022	$ 5,334,117	$ 6,037,575	$ 569,898	$ 419,094	$ 12,360,684
Performance Allocations as a Result of Changes in Fund Fair Values	(449,418)	243,978	45,304	33,373	(126,763)
Foreign Exchange Gain	7,906	—	—	—	7,906
Fund Distributions	(404,077)	(252,348)	(61,719)	(5,933)	(724,077)
Accrued Performance Allocations, March 31, 2023	$ 4,488,528	$ 6,029,205	$ 553,483	$ 446,534	$ 11,517,750

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

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 March 31,	
	2023	2022
Realized Gains (Losses)	$ 2,374	$ (1,962)
Net Change in Unrealized Gains (Losses)	7,795	(27,603)
	$ 10,169	$ (29,565)

Other Investments

Other Investments consist of equity method investments where Blackstone has elected the fair value option and other proprietary investment securities held by Blackstone, including equity securities carried at fair value, equity investments without readily determinable fair values, and senior secured and subordinated notes in non-consolidated CLO vehicles. Equity securities carried at fair value include the ownership of common stock of Corebridge Financial, Inc., formerly known as American International Group, Inc.'s Life and Retirement business ("Corebridge"). Such common stock is subject to certain phased lock-up restrictions that expire over time through five years after the initial public offering ("IPO") of Corebridge. Equity investments without a readily determinable fair value had a carrying value of $371.5 million as of March 31, 2023. In the period of acquisition and upon remeasurement in connection with an observable transaction, such investments are reported at fair value. See Note 8. "Fair Value Measurements of Financial Instruments" for additional detail. The following table presents Blackstone's Realized and Net Change in Unrealized Gains (Losses) in Other Investments:

	Three Months Ended March 31,	
	2023	2022
Realized Gains	$ 1,924	$ 101,349
Net Change in Unrealized Losses	(313,153)	(80,485)
	$ (311,229)	$ 20,864

(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 March 31, 2023 is presented below:

Strategy (a)	Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
Equity	$ 457,664	(b)	(b)
Real Estate	121,172	(c)	(c)
Credit Driven	26,845	(d)	(d)
Commodities	1,080	(e)	(e)
Diversified Instruments	17	(f)	(f)
	$ 606,778		

(a) As of March 31, 2023, Blackstone had no unfunded commitments.
(b) The Equity category includes investments in hedge funds that invest primarily in domestic and international equity securities. Investments representing 24% of the fair value of the investments in this category may not be redeemed at, or within three months of, the reporting date. Investments representing 76% of the fair value of the investments in this category are redeemable as of the reporting date. Investments representing less than 1% of the fair value of the investments in this category are in liquidation. As of the reporting date, the investee fund manager had elected to side-pocket less than 1% of Blackstone’s investments in the category.
(c) The Real Estate category includes investments in funds that primarily invest in real estate assets. Investments representing 100% of fair value of the investments in this category are redeemable as of the reporting date.
(d) The Credit Driven category includes investments in hedge funds that invest primarily in domestic and international bonds. Investments representing 81% of the fair value of the investments in this category are in liquidation. The remaining 19% of investments in this category may not be redeemed at, or within three months of, the reporting date.
(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.
(f) 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.

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 and business 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.

	March 31, 2023				December 31, 2022			
	Assets		Liabilities		Assets		Liabilities	
	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value	Notional	Fair Value
Freestanding Derivatives								
Blackstone								
Interest Rate Contracts	$ 719,640	$ 176,132	$ 688,800	$ 62,096	$ 789,540	$ 188,043	$ 621,700	$ 83,331
Foreign Currency Contracts	270,614	3,944	251,568	2,628	541,238	8,040	190,774	3,542
Credit Default Swaps	2,105	522	7,931	1,626	2,007	384	8,768	1,309
Total Return Swaps	34,529	4,206	—	—	42,233	6,210	—	—
Equity Options	—	—	1,111,046	203,419	—	—	996,592	48,581
	1,026,888	184,804	2,059,345	269,769	1,375,018	202,677	1,817,834	136,763
Investments of Consolidated Blackstone Funds								
Interest Rate Contracts	836,637	57,593	—	—	931,752	74,926	—	—
Foreign Currency Contracts	—	—	—	—	—	—	5,133	284
	836,637	57,593	—	—	931,752	74,926	5,133	284
	$ 1,863,525	$ 242,397	$ 2,059,345	$ 269,769	$ 2,306,770	$ 277,603	$ 1,822,967	$ 137,047

(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 March 31,	
	2023	**2022**
Freestanding Derivatives		
Realized Gains (Losses)		
Interest Rate Contracts	$ 336	$ 3,899
Foreign Currency Contracts	5,590	3,992
Credit Default Swaps	(51)	95
Total Return Swaps	4,652	—
	10,527	7,986
Net Change in Unrealized Gains (Losses)		
Interest Rate Contracts	(2,120)	34,956
Foreign Currency Contracts	(3,183)	(9,372)
Credit Default Swaps	(228)	13
Total Return Swaps	(13)	—
Equity Options	(154,838)	—
	(160,382)	25,597
	$ (149,855)	$ 33,583

As of March 31, 2023 and December 31, 2022, Blackstone had not designated any derivatives as fair value, cash flow or net investment hedges.

7. Fair Value Option

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

	March 31, 2023	**December 31, 2022**
Assets		
Loans and Receivables	$ 307,288	$ 315,039
Equity and Preferred Securities	2,082,976	1,868,192
Debt Securities	65,077	24,784
Assets of Consolidated CLO Vehicles		
Corporate Loans	256,310	—
	$ 2,711,651	$ 2,208,015
Liabilities		
CLO Notes Payable	$ 292,374	$ —
Corporate Treasury Commitments	5,918	8,144
	$ 298,292	$ 8,144

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

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

	Three Months Ended March 31,			
	2023		2022	
	Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)	Realized Gains (Losses)	Net Change in Unrealized Gains (Losses)
Assets				
Loans and Receivables	$ (763)	$ (303)	$ (1,453)	$ 1,446
Equity and Preferred Securities	1,696	(45,113)	(722)	6,836
Debt Securities	—	(1,831)	(952)	(8,982)
Assets of Consolidated CLO Vehicles				
Corporate Loans	(3,129)	482	—	—
	$ (2,196)	$ (46,765)	$ (3,127)	$ (700)
Liabilities				
CLO Notes Payable	$ —	$ 2,464	$ —	$ —
Corporate Treasury Commitments	—	2,226	—	(1,193)
	$ —	$ 4,690	$ —	$ (1,193)

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

	March 31, 2023			December 31, 2022		
		For Financial Assets Past Due (a)			For Financial Assets Past Due (a)	
	(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	$ (4,533)	$ —	$ —	$ (2,861)	$ —	$ —
Debt Securities	(53,024)	—	—	(48,670)	—	—
Assets of Consolidated CLO Vehicles						
Corporate Loans	(11,509)	—	—	—	—	—
	$ (69,066)	$ —	$ —	$ (51,531)	$ —	$ —

(a) Assets are classified as past due if contractual payments are more than 90 days past due.

As of March 31, 2023 and December 31, 2022, no Loans and Receivables for which the fair value option was elected were past due or in non-accrual status. As of March 31, 2023 and December 31, 2022, no Corporate Loans included within the Assets of Consolidated CLO Vehicles 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:

	March 31, 2023				
	Level I	Level II	Level III	NAV	Total
Assets					
Cash and Cash Equivalents	$ 136,224	$ —	$ —	$ —	$ 136,224
Investments					
Investments of Consolidated Blackstone Funds					
Equity Securities, Partnerships and LLC Interests (a)	11,120	129,963	4,301,218	600,700	5,043,001
Debt Instruments	—	305,982	37,291	—	343,273
Freestanding Derivatives	—	57,593	—	—	57,593
Total Investments of Consolidated Blackstone Funds	11,120	493,538	4,338,509	600,700	5,443,867
Corporate Treasury Investments	120,739	830,804	5,321	—	956,864
Other Investments	1,206,468	1,818,053	65,077	6,078	3,095,676
Total Investments	1,338,327	3,142,395	4,408,907	606,778	9,496,407
Accounts Receivable - Loans and Receivables	—	—	307,288	—	307,288
Other Assets - Freestanding Derivatives	132	180,466	4,206	—	184,804
	$ 1,474,683	$ 3,322,861	$ 4,720,401	$ 606,778	$ 10,124,723
Liabilities					
Loans Payable - CLO Notes Payable	$ —	$ 292,374	$ —	$ —	$ 292,374
Securities Sold, Not Yet Purchased	3,881	—	—	—	3,881
Accounts Payable, Accrued Expenses and Other Liabilities					
Freestanding Derivatives (b)	1,027	65,323	203,419	—	269,769
Contingent Consideration (c)	—	—	2,300	—	2,300
Corporate Treasury Commitments (d)	—	—	5,918	—	5,918
Total Accounts Payable, Accrued Expenses and Other Liabilities	1,027	65,323	211,637	—	277,987
	$ 4,908	$ 357,697	$ 211,637	$ —	$ 574,242

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

	December 31, 2022				
	Level I	**Level II**	**Level III**	**NAV**	**Total**
Assets					
Cash and Cash Equivalents	$ 1,134,733	$ —	$ —	$ —	$ 1,134,733
Investments					
Investments of Consolidated Blackstone Funds					
Equity Securities, Partnerships and LLC Interests (a)	12,024	149,689	4,195,859	596,708	4,954,280
Debt Instruments	—	53,787	53,973	—	107,760
Freestanding Derivatives	—	74,926	—	—	74,926
Total Investments of Consolidated Blackstone Funds	12,024	278,402	4,249,832	596,708	5,136,966
Corporate Treasury Investments	116,266	931,406	5,868	—	1,053,540
Other Investments	1,473,611	1,597,696	51,155	5,985	3,128,447
Total Investments	1,601,901	2,807,504	4,306,855	602,693	9,318,953
Accounts Receivable - Loans and Receivables	—	—	315,039	—	315,039
Other Assets - Freestanding Derivatives	279	196,188	6,210	—	202,677
	$ 2,736,913	$ 3,003,692	$ 4,628,104	$ 602,693	$ 10,971,402
Liabilities					
Securities Sold, Not Yet Purchased	$ 3,825	$ —	$ —	$ —	$ 3,825
Accounts Payable, Accrued Expenses and Other Liabilities					
Consolidated Blackstone Funds - Freestanding Derivatives	—	284	—	—	284
Freestanding Derivatives (b)	21	88,161	48,581	—	136,763
Corporate Treasury Commitments (d)	—	—	8,144	—	8,144
Total Accounts Payable, Accrued Expenses and Other Liabilities	21	88,445	56,725	—	145,191
	$ 3,846	$ 88,445	$ 56,725	$ —	$ 149,016

LLC Limited Liability Company.

(a) Equity Securities, Partnership and LLC Interest includes investments in investment funds.

(b) Level III freestanding derivatives are valued using an option pricing model where the significant inputs include the expected return and expected volatility.

(c) Level III contingent consideration liabilities are valued using a discounted cash flow model where the significant inputs include the discount rates.

(d) 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 March 31, 2023:

	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	$ 4,301,218	Discounted Cash Flows	Discount Rate	4.1% - 35.5%	7.6%	Lower
			Exit Multiple - EBITDA	4.0x - 30.6x	14.8x	Higher
			Exit Capitalization Rate	2.8% - 14.3%	4.8%	Lower
		Transaction Price	n/a			
Debt Instruments	37,291	Transaction Price	n/a			
Total Investments of Consolidated Blackstone Funds	4,338,509					
Corporate Treasury Investments	5,321	Third Party Pricing	n/a			
Loans and Receivables	307,288	Discounted Cash Flows	Discount Rate	8.5% - 12.6%	9.8%	Lower
Other Investments (b)	69,283	Transaction Price	n/a			
		Third Party Pricing	n/a			
	$ 4,720,401					

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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, 2022:

	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	$ 4,195,859	Discounted Cash Flows	Discount Rate	4.1% - 34.5%	8.8%	Lower
			Exit Multiple - EBITDA	4.0x - 30.6x	14.7x	Higher
			Exit Capitalization Rate	2.6% - 14.4%	4.7%	Lower
		Transaction Price	n/a			
Debt Instruments	53,973	Transaction Price	n/a			
		Third Party Pricing	n/a			
Total Investments of Consolidated Blackstone Funds	4,249,832					
Corporate Treasury Investments	5,868	Third Party Pricing	n/a			
Loans and Receivables	315,039	Discounted Cash Flows	Discount Rate	7.6% - 11.5%	9.8%	Lower
Other Investments (b)	57,365	Transaction Price	n/a			
		Third Party Pricing	n/a			
	$ 4,628,104					

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.
(b)	As of March 31, 2023 and December 31, 2022, Other Investments includes Level III Freestanding Derivatives.

For the three months ended March 31, 2023, 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.

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

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.

	Level III Financial Assets at Fair Value							
	Three Months Ended March 31,							
	2023				2022			
	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	$ 4,249,832	$ 315,039	$ 30,971	$ 4,595,842	$ 1,200,315	$ 392,732	$ 43,987	$ 1,637,034
Transfer Out Due to Deconsolidation	(3,837)	—	—	(3,837)	—	—	—	—
Transfer Into Level III (b)	13,873	—	898	14,771	4	—	—	4
Transfer Out of Level III (b)	(313)	—	(2,726)	(3,039)	(53,907)	—	—	(53,907)
Purchases	299,948	55,070	49,404	404,422	58,021	3,097	2,746	63,864
Sales	(319,161)	(86,725)	(180)	(406,066)	(64,312)	(118,493)	(64)	(182,869)
Issuances	—	50,689	—	50,689	—	9,774	—	9,774
Settlements	—	(33,796)	528	(33,268)	—	(4,854)	—	(4,854)
Changes in Gains (Losses) Included in Earnings	98,167	7,011	(4,291)	100,887	68,131	3,943	(3,455)	68,619
Balance, End of Period	$ 4,338,509	$ 307,288	$ 74,604	$ 4,720,401	$ 1,208,252	$ 286,199	$ 43,214	$ 1,537,665
Changes in Unrealized Gains (Losses) Included in Earnings Related to Financial Assets Still Held at the Reporting Date	$ 72,029	$ 1,737	$ 534	$ 74,300	$ 61,154	$ 215	$ (3,457)	$ 57,912

(a) Represents freestanding derivatives, 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.

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.

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

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:

	March 31, 2023	December 31, 2022
Investments	$ 3,117,201	$ 3,326,669
Due from Affiliates	176,338	189,240
Potential Clawback Obligation	67,549	384,926
Maximum Exposure to Loss	$ 3,361,088	$ 3,900,835
Amounts Due to Non-Consolidated VIEs	$ 137	$ 6

10. Repurchase Agreements

At March 31, 2023 and December 31, 2022, Blackstone pledged securities with a carrying value of $19.6 million and $89.9 million, respectively, and cash to collateralize its repurchase agreements. Such securities can be repledged, delivered or otherwise used by the counterparty.

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

	March 31, 2023				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 Days	30 - 90 Days	Greater than 90 days	Total
Repurchase Agreements					
Loans	$ —	$ 19,563	$ —	$ —	$ 19,563
Gross Amount of Recognized Liabilities for Repurchase Agreements in Note 11. "Offsetting of Assets and Liabilities"					$ 19,563
Amounts Related to Agreements Not Included in Offsetting Disclosure in Note 11. "Offsetting of Assets and Liabilities"					$ —

	December 31, 2022				
	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	$ —	$ —	$ —	$ —	$ —
Loans	—	70,776	—	19,168	89,944
	$ —	$ 70,776	$ —	$ 19,168	$ 89,944
Gross Amount of Recognized Liabilities for Repurchase Agreements in Note 11. "Offsetting of Assets and Liabilities"					$ 89,944
Amounts Related to Agreements Not Included in Offsetting Disclosure in Note 11. "Offsetting of Assets and Liabilities"					$ —

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

11. Offsetting of Assets and Liabilities

The following tables present the offsetting of assets and liabilities as of March 31, 2023 and December 31, 2022:

	March 31, 2023			
	Gross and Net Amounts of Assets Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		
		Financial Instruments (a)	Cash Collateral Received	Net Amount
Assets				
Freestanding Derivatives	$ 242,397	$ 120,732	$ 102,664	$ 19,001

	March 31, 2023			
	Gross and Net Amounts of Liabilities Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		
		Financial Instruments (a)	Cash Collateral Pledged	Net Amount
Liabilities				
Freestanding Derivatives	$ 66,349	$ 61,960	$ 1,851	$ 2,538
Repurchase Agreements	19,563	19,563	—	—
	$ 85,912	$ 81,523	$ 1,851	$ 2,538

	December 31, 2022			
	Gross and Net Amounts of Assets Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		
		Financial Instruments (a)	Cash Collateral Received	Net Amount
Assets				
Freestanding Derivatives	$ 277,603	$ 165,897	$ 96,436	$ 15,270

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

	December 31, 2022			
	Gross and Net Amounts of Liabilities Presented in the Statement of Financial Condition	Gross Amounts Not Offset in the Statement of Financial Condition		
		Financial Instruments (a)	Cash Collateral Pledged	Net Amount
Liabilities				
Freestanding Derivatives	$ 88,182	$ 85,366	$ 1,345	$ 1,471
Repurchase Agreements	89,944	89,944	—	—
	$ 178,126	$ 175,310	$ 1,345	$ 1,471

(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.

Repurchase Agreements are presented separately in 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:

	March 31, 2023	December 31, 2022
Furniture, Equipment and Leasehold Improvements	$ 797,106	$ 748,334
Less: Accumulated Depreciation	(338,777)	(336,621)
Furniture, Equipment and Leasehold Improvements, Net	458,329	411,713
Prepaid Expenses	168,701	165,079
Freestanding Derivatives	184,804	202,677
Other	21,398	20,989
	$ 833,232	$ 800,458

Freestanding Derivative liabilities are included in Accounts Payable, Accrued Expenses and Other Liabilities in the Condensed Consolidated Statements of Financial Condition.

Notional Pooling Arrangements

Blackstone has notional cash pooling arrangements with financial institutions for cash management purposes. These arrangements allow 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 March 31, 2023, the aggregate cash balance on deposit relating to the cash pooling arrangements was $905.2 million, which was offset and reported net of the accompanying overdraft of $905.1 million.

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12. Borrowings

The following table presents each of Blackstone's borrowings as of March 31, 2023 and December 31, 2022, as well as their carrying value and fair value. The borrowings are included in Loans Payable within the Condensed Consolidated Statements of Financial Condition. Each of the Senior Notes were issued at a discount through Blackstone's indirect subsidiary, Blackstone Holdings Finance Co. L.L.C. The Senior Notes accrue interest from the issue date thereof and pay interest in arrears on a semi-annual basis or annual basis. The Secured Borrowings were issued at par, accrue interest from the issue date thereof and pay interest in arrears on a quarterly basis. CLO Notes Payable pay interest in arrears on a quarterly basis.

	March 31, 2023		December 31, 2022	
Description	Carrying Value	Fair Value	Carrying Value	Fair Value
Blackstone Operating Borrowings				
Senior Notes (a)				
4.750%, Due 2/15/2023	$ —	$ —	$ 399,838	$ 399,776
2.000%, Due 5/19/2025	329,494	309,116	325,292	305,754
1.000%, Due 10/5/2026	651,266	579,648	642,968	568,525
3.150%, Due 10/2/2027	298,194	276,684	298,101	271,284
5.900%, Due 11/3/2027	594,632	614,430	594,381	606,450
1.625%, Due 8/5/2028	644,692	541,580	644,456	530,933
1.500%, Due 4/10/2029	654,063	551,755	645,819	532,043
2.500%, Due 1/10/2030	492,844	418,645	492,604	405,965
1.600%, Due 3/30/2031	496,103	378,050	495,990	365,380
2.000%, Due 1/30/2032	788,379	612,040	788,082	589,407
2.550%, Due 3/30/2032	495,322	400,425	495,207	390,370
6.200%, Due 4/22/2033	891,429	943,911	891,277	907,965
3.500%, Due 6/1/2034	511,317	459,590	504,695	452,934
6.250%, Due 8/15/2042	239,245	260,855	239,176	251,480
5.000%, Due 6/15/2044	489,770	442,719	489,704	441,355
4.450%, Due 7/15/2045	344,584	280,714	344,549	287,242
4.000%, Due 10/2/2047	290,988	227,610	290,935	227,946
3.500%, Due 9/10/2049	392,303	275,784	392,259	275,588
2.800%, Due 9/30/2050	393,994	242,052	393,958	237,552
2.850%, Due 8/5/2051	543,200	320,870	543,162	323,527
3.200%, Due 1/30/2052	987,198	640,780	987,131	646,880
	10,529,017	8,777,258	10,899,584	9,018,356
Other (b)				
Secured Borrowing, Due 10/27/2033	20,000	20,000	—	—
Secured Borrowing, Due 1/29/2035	20,000	20,000	—	—
	10,569,017	8,817,258	10,899,584	9,018,356
Borrowings of Consolidated Blackstone Funds				
Blackstone Fund Facilities (c)	1,450,078	1,450,078	1,450,000	1,450,000
CLO Notes Payable (d)	292,374	292,374	—	—
	1,742,452	1,742,452	1,450,000	1,450,000
	$12,311,469	$10,559,710	$12,349,584	$10,468,356

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

(b) The Secured Borrowing, Due 10/27/2033 has an interest rate of 6.97% and the Secured Borrowing, Due 1/29/2035 has an interest rate of 3.72%. Prepayments of these borrowings may occur prior to maturity based on performance of the assets securing these borrowings.

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(c) Blackstone Fund Facilities represents borrowing facilities for the various consolidated Blackstone Funds used to meet liquidity and investing needs. Such borrowings have varying maturities and may be rolled over until the disposition or refinancing event. Borrowings bear interest at spreads to market rates or at stated fixed rates that can vary over the borrowing term. Interest may be subject to the performance of the assets within the fund and therefore, the stated interest rate and effective interest rate may differ.

(d) CLO Notes Payable are due 10/15/2029 and have an effective interest rate of 6.97% as of March 31, 2023.

Scheduled principal payments for borrowings as of March 31, 2023 were as follows:

	Blackstone Operating Borrowings	Borrowings of Consolidated Blackstone Funds	Total Borrowings
2023	$ —	$ —	$ —
2024	—	—	—
2025	325,170	—	325,170
2026	650,340	—	650,340
2027	900,000	—	900,000
Thereafter	8,832,290	1,754,992	10,587,282
	$ 10,707,800	$ 1,754,992	$ 12,462,792

13. Income Taxes

Blackstone's net deferred tax assets relate primarily to basis differences resulting from a step-up in tax basis of certain assets at the time of its conversion to a corporation, as well as ongoing exchanges of units for common shares by founders and partners. As of March 31, 2023, Blackstone had no material valuation allowance recorded against deferred tax assets.

Blackstone is subject to examination by the U.S. Internal Revenue Service and other taxing authorities where Blackstone has significant business operations such as the United Kingdom, and various state and local jurisdictions such as New York State and New York City. The tax years under examination vary by jurisdiction. Blackstone does not expect the completion of these audits to have a material impact on its financial condition, but it may be material to operating results for a particular period, depending on the operating results for that period. Blackstone believes the liability established for unrecognized tax benefits is adequate in relation to the potential for additional assessments. It is reasonably possible that changes in the balance of unrecognized tax benefits may occur within the next 12 months; however, it is not possible to reasonably estimate the expected change to the total amount of unrecognized tax benefits and the impact on Blackstone's effective tax rate over the next 12 months.

As of March 31, 2023, the following are the major filing jurisdictions and their respective earliest open tax period subject to examination:

Jurisdiction	Year
Federal	2019
New York City	2009
New York State	2016
United Kingdom	2011

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14. Earnings Per Share and Stockholders' Equity

Earnings Per Share

Basic and diluted net income per share of common stock for the three months ended March 31, 2023 and March 31, 2022 was calculated as follows:

	Three Months Ended March 31,	
	2023	2022
Net Income for Per Share of Common Stock Calculations		
Net Income Attributable to Blackstone Inc., Basic and Diluted	$ 85,812	$ 1,216,874
Share/Units Outstanding		
Weighted-Average Shares of Common Stock Outstanding, Basic	746,064,922	734,327,015
Weighted-Average Shares of Unvested Deferred Restricted Common Stock	579,007	639,900
Weighted-Average Shares of Common Stock Outstanding, Diluted	746,643,929	734,966,915
Net Income Per Share of Common Stock		
Basic	$ 0.12	$ 1.66
Diluted	$ 0.11	$ 1.66
Dividends Declared Per Share of Common Stock (a)	$ 0.91	$ 1.45

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

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 the 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.

The following table summarizes the anti-dilutive securities for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
Weighted-Average Blackstone Holdings Partnership Units	462,949,870	467,794,861

Share Repurchase Program

On December 7, 2021, Blackstone's board of directors authorized the repurchase of up to $2.0 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.

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During the three months ended March 31, 2023, Blackstone repurchased 1.0 million shares of common stock at a total cost of $90.1 million. During the three months ended March 31, 2022, no shares of common stock were repurchased. As of March 31, 2023, the amount remaining available for repurchases under the program was $1.0 billion.

Shares Eligible for Dividends and Distributions

As of March 31, 2023, 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	712,794,968
Unvested Participating Common Stock	33,121,860
Total Participating Common Stock	745,916,828
Participating Blackstone Holdings Partnership Units	462,366,799
	1,208,283,627

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, 2023, Blackstone had the ability to grant 172,161,191 shares under the Equity Plan.

For the three months ended March 31, 2023 and March 31, 2022, Blackstone recorded compensation expense of $277.4 million and $219.1 million, respectively, in relation to its equity-based awards with corresponding tax benefits of $39.3 million and $60.7 million, respectively.

As of March 31, 2023, there was $2.6 billion of estimated unrecognized compensation expense related to unvested awards, including compensation with performance conditions where it is probable that the performance condition will be met. 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 1,208,354,642 as of March 31, 2023. Total outstanding phantom shares were 60,965 as of March 31, 2023.

(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 March 31, 2023 and of changes during the period January 1, 2023 through March 31, 2023 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, 2022	11,029,996	$ 38.02	31,001,563	$ 82.94	48,886	$ 85.04
Granted	—	—	3,170,790	74.71	12,043	89.78
Vested	(912,145)	35.74	(2,308,783)	82.79	(3,461)	89.78
Forfeited	(43,502)	42.73	(152,610)	79.80	—	—
Balance, March 31, 2023	10,074,349	$ 38.20	31,710,960	$ 82.15	57,468	$ 89.78

Shares/Units Expected to Vest

The following unvested shares and units, after expected forfeitures, as of March 31, 2023, are expected to vest:

	Shares/Units	Weighted-Average Service Period in Years
Blackstone Holdings Partnership Units	9,954,549	1.1
Deferred Restricted Shares of Common Stock	28,287,573	2.8
Total Equity-Based Awards	38,242,122	2.4
Phantom Shares	47,270	3.0

16. Related Party Transactions

Affiliate Receivables and Payables

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

	March 31, 2023	December 31, 2022
Due from Affiliates		
Management Fees, Performance Revenues, Reimbursable Expenses and Other Receivables from Non-Consolidated Entities and Portfolio Companies	$ 3,314,962	$ 3,344,813
Due from Certain Non-Controlling Interest Holders and Blackstone Employees	726,830	741,319
Accrual for Potential Clawback of Previously Distributed Performance Allocations	57,973	60,575
	$ 4,099,765	$ 4,146,707

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

	March 31, 2023	December 31, 2022
Due to Affiliates		
Due to Certain Non-Controlling Interest Holders in Connection with the Tax Receivable Agreements	$ 1,574,727	$ 1,602,933
Due to Non-Consolidated Entities	156,934	157,982
Due to Certain Non-Controlling Interest Holders and Blackstone Employees	97,901	198,875
Accrual for Potential Repayment of Previously Received Performance Allocations	144,620	158,691
	$ 1,974,182	$ 2,118,481

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 March 31, 2023 and December 31, 2022, such investments aggregated $1.6 billion and $1.6 billion, respectively. Their share of the Net Income Attributable to Redeemable Non-Controlling and Non-Controlling Interests in Consolidated Entities aggregated to $22.2 million and $64.4 million for the three months ended March 31, 2023 and 2022, 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 March 31, 2023. See Note 17. “Commitments and Contingencies — Contingencies — Contingent Obligations (Clawback).”

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 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 $1.6 billion over the next 15 years. The after-tax net present value of these estimated payments totals $446.8 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 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 $4.8 billion of investment commitments as of March 31, 2023 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 $244.5 million as of March 31, 2023, which includes $116.8 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 $19.8 million as of March 31, 2023.

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 March 31, 2023 was $77.7 million.

Strategic Ventures

In December 2022 and January 2023, Blackstone entered into long-term strategic ventures with the Regents of the University of California ("UC Investments"), an institutional investor that subscribed for $4.5 billion of BREIT Class I shares during the three months ended March 31, 2023. The strategic ventures between Blackstone and UC Investments provide a waterfall structure with UC Investments receiving an 11.25% target annualized net return on its $4.5 billion investment in BREIT shares and upside from its investment. This target return, while not guaranteed, is supported by a pledge by Blackstone of $1.1 billion of its current holdings in BREIT, including any appreciation or dividends received by Blackstone in respect thereof. Pursuant to the strategic venture, Blackstone is entitled to receive an incremental 5% cash payment from UC Investments on any returns received in excess of the target return. An asset or liability is recognized based on fair value with the maximum potential future obligation capped at the fair value of the assets pledged by Blackstone in connection with the above arrangements. As of March 31, 2023, the fair value of the assets pledged was $1.1 billion and the total liability recognized was $203.4 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.

In December 2017, eight pension plan members of the Kentucky Retirement System ("KRS") filed a derivative lawsuit on behalf of KRS in the Franklin County Circuit Court of the Commonwealth of Kentucky (the "Mayberry Action"). The Mayberry Action alleged 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. (now Blackstone Inc.); BLP; Stephen A. Schwarzman, as Chairman and CEO of Blackstone; and J. Tomilson Hill, as then-CEO of BLP (collectively, the "Blackstone Defendants"). In July 2020, the Kentucky Supreme Court directed the Circuit Court to dismiss the action due to the plaintiffs' lack of standing.

Over the objection of the Blackstone Defendants and others, in December 2020, the Circuit Court permitted the Attorney General of the Commonwealth of Kentucky (the "AG") to intervene in the Mayberry Action. On December 9, 2022, the Mayberry Action was stayed pending resolution of an interlocutory appeal in which the Blackstone Defendants and others argued that the Circuit Court did not have jurisdiction to continue the Mayberry Action after the ruling of the Kentucky Supreme Court. On April 14, 2023, the Kentucky Court of Appeals agreed with the defendants' position, holding that the Circuit Court exceeded its authority in permitting the AG's intervention despite the Kentucky Supreme Court's instruction to dismiss. Accordingly, the Kentucky Court of Appeals vacated all orders entered by the Circuit Court other than the order dismissing the original derivative complaint in the Mayberry Action. On May 4, 2023, the AG filed a petition for rehearing in the Kentucky Court of Appeals. Additionally, around the time it moved to intervene in 2020, the AG separately filed an additional back-up complaint asserting substantially identical claims that the AG has not prosecuted while focusing on the Mayberry Action. While BLP has strong arguments that the Mayberry Action is time-barred, should the AG pursue the later-filed action in light of the Court of Appeals decision, we believe that action — initiated some nine years after BLP was engaged by KRS — would be even more clearly barred by the statute of limitations.

In August 2022, KRS was ordered to disclose, and in September 2022, did disclose, a report prepared in 2021 by a law firm retained by KRS to conduct an investigation into the investment activities underlying the lawsuit. According to the report, the investigators “did not find any violations of fiduciary duty or illegal activity by [BLP]” related to KRS’s due diligence and retention of BLP or KRS’s continued investment with BLP. The report quotes contemporaneous communications by KRS staff during the period of the investment recognizing that BLP was exceeding KRS’s returns benchmark, that BLP was providing KRS with “far fewer negative months than any liquid market comparable,” and that BLP “[h]as killed it.”

In January 2021, certain former plaintiffs in the Mayberry Action filed a separate action (“Taylor I”), against the Blackstone Defendants and other defendants named in the Mayberry Action, asserting allegations substantially similar to those made in the Mayberry Action, and in July 2021 they amended their complaint to add class action allegations. Defendants removed Taylor I to the U.S. District Court for the Eastern District of Kentucky, and in March 2022, the District Court stayed Taylor I pending the resolution of the AG’s suit in the Mayberry Action.

In August 2021, a group of KRS members—including those that filed Taylor I—filed a new action in Franklin County Circuit Court (“Taylor II”), against the Blackstone Defendants, other defendants named in the Mayberry Action, and other KRS officials. The filed complaint is substantially similar to that filed in Taylor I and the Mayberry Action. Motions to dismiss are pending. The Blackstone Defendants believe they have strong defenses on statute of limitations grounds, among others, to both Taylor I and Taylor II.

In May 2022, the presiding judge recused himself from the Mayberry Action and Taylor II and the cases were reassigned to another judge in the Franklin County Circuit Court.

In April 2021, the AG filed an action (the “Declaratory Judgment Action”), against BLP and the other fund manager defendants from the Mayberry Action in Franklin County Circuit Court. The action sought to have certain provisions in the subscription agreements between KRS and the fund managers declared to be in violation of the Kentucky Constitution. In March 2022, the Circuit Court granted summary judgment to the AG. BLP’s appeal is currently pending.

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

In July 2021, BLP filed a breach of contract action against defendants affiliated with KRS alleging that the Mayberry Action and the Declaratory Judgment Action breach the parties’ subscription agreements governing KRS’s investment with BLP. The action seeks damages, including legal fees and expenses incurred in defending against the above actions. In April 2022, the Circuit Court dismissed BLP’s complaint without prejudice to refiling, on the grounds that the action was not yet ripe for adjudication. BLP’s appeal is currently pending.

In October 2022, as part of a sweep of private equity and other investment advisory firms, the SEC sent us a request for information relating to the retention of certain types of electronic business communications, including text messages, that may be required to be preserved under certain SEC rules. We are cooperating with the SEC’s inquiry.

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 2032. Further extensions of such terms may be implemented under given circumstances.

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

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:

	March 31, 2023			December 31, 2022		
Segment	**Blackstone Holdings**	**Current and Former Personnel (a)**	**Total (b)**	**Blackstone Holdings**	**Current and Former Personnel (a)**	**Total (b)**
Real Estate	$ 76,600	$ 49,546	$ 126,146	$ 78,644	$ 51,771	$ 130,415
Private Equity	9,828	8,168	17,996	19,279	8,569	27,848
Credit & Insurance	224	254	478	223	205	428
	$ 86,652	$ 57,968	$ 144,620	$ 98,146	$ 60,545	$ 158,691

(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."

During the three months ended March 31, 2023, the Blackstone general partners paid an interim cash clawback obligation of $6.4 million related to a Real Estate segment fund of which $4.1 million was paid by Blackstone Holdings and $2.3 million by current and former Blackstone personnel.

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 March 31, 2023, $1.1 billion 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 March 31, 2023, 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 $6.3 billion, on an after-tax basis where applicable, of which Blackstone Holdings is potentially liable for $5.7 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 conducts its alternative asset management businesses through four segments:

- Real Estate – Blackstone's Real Estate segment primarily comprises its management of opportunistic real estate funds, Core+ real estate funds, and real estate debt and credit strategies.

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

- Credit & Insurance – Blackstone's Credit & Insurance segment consists principally of Blackstone Credit, which is organized into two overarching strategies: private credit (which includes mezzanine and direct lending funds, private placement strategies, 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 an insurer-focused platform, an asset-based finance platform and publicly traded master limited partnership investment platform.

- 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 a GP Stakes business and investment platforms that invest directly, as well as investment platforms that seed new hedge fund businesses and create alternative solutions through daily liquidity products.

These business segments are differentiated by their various investment strategies. Each of the segments primarily earns its 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 as of March 31, 2023 and for the three months ended March 31, 2023 and 2022.

	March 31, 2023 and the Three Months Then Ended				
	Real Estate	Private Equity	Credit & Insurance	Hedge Fund Solutions	Total Segments
Management and Advisory Fees, Net					
Base Management Fees	$ 705,387	$ 451,610	$ 326,779	$ 135,771	$ 1,619,547
Transaction, Advisory and Other Fees, Net	20,561	14,784	8,451	1,914	45,710
Management Fee Offsets	(10,457)	(1,310)	(1,101)	(2)	(12,870)
Total Management and Advisory Fees, Net	715,491	465,084	334,129	137,683	1,652,387
Fee Related Performance Revenues	20,748	—	127,496	—	148,244
Fee Related Compensation	(137,610)	(161,626)	(163,999)	(45,736)	(508,971)
Other Operating Expenses	(74,181)	(76,763)	(74,238)	(26,466)	(251,648)
Fee Related Earnings	524,448	226,695	223,388	65,481	1,040,012
Realized Performance Revenues	11,096	499,322	125,181	5,927	641,526
Realized Performance Compensation	(3,165)	(232,934)	(56,772)	(3,153)	(296,024)
Realized Principal Investment Income	2,224	32,889	6,009	2,569	43,691
Total Net Realizations	10,155	299,277	74,418	5,343	389,193
Total Segment Distributable Earnings	$ 534,603	$ 525,972	$ 297,806	$ 70,824	$ 1,429,205
Segment Assets	$13,328,803	$13,414,726	$ 6,811,414	$ 2,615,977	$36,170,920

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

	Three Months Ended March 31, 2022				
	Real Estate	Private Equity	Credit & Insurance	Hedge Fund Solutions	Total Segments
Management and Advisory Fees, Net					
Base Management Fees	$ 580,186	$ 421,472	$ 292,445	$ 145,046	$ 1,439,149
Transaction, Advisory and Other Fees, Net	40,485	12,658	9,397	1,469	64,009
Management Fee Offsets	(960)	(27,142)	(1,619)	(69)	(29,790)
Total Management and Advisory Fees, Net	619,711	406,988	300,223	146,446	1,473,368
Fee Related Performance Revenues	491,517	(648)	67,196	—	558,065
Fee Related Compensation	(344,842)	(151,050)	(127,344)	(47,235)	(670,471)
Other Operating Expenses	(66,003)	(67,744)	(57,167)	(23,184)	(214,098)
Fee Related Earnings	700,383	187,546	182,908	76,027	1,146,864
Realized Performance Revenues	802,916	450,238	30,743	28,913	1,312,810
Realized Performance Compensation	(290,031)	(206,703)	(13,386)	(9,000)	(519,120)
Realized Principal Investment Income	53,975	65,438	22,781	14,901	157,095
Total Net Realizations	566,860	308,973	40,138	34,814	950,785
Total Segment Distributable Earnings	$ 1,267,243	$ 496,519	$ 223,046	$ 110,841	$ 2,097,649

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 months ended March 31, 2023 and 2022 along with Total Assets as of March 31, 2023:

	Three Months Ended March 31,	
	2023	2022
Revenues		
Total GAAP Revenues	$ 1,381,845	$ 5,126,280
Less: Unrealized Performance Revenues (a)	759,316	(1,293,050)
Less: Unrealized Principal Investment (Income) Loss (b)	479,120	(26,758)
Less: Interest and Dividend Revenue (c)	(95,101)	(54,485)
Less: Other Revenue (d)	14,180	(72,819)
Impact of Consolidation (e)	(58,987)	(177,596)
Transaction-Related Charges (g)	4,788	(1,213)
Intersegment Eliminations	687	979
Total Segment Revenue (h)	$ 2,485,848	$ 3,501,338

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

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Expenses		
Total GAAP Expenses	$ 1,189,345	$ 2,197,022
Less: Unrealized Performance Allocations Compensation (i)	313,249	(472,284)
Less: Equity-Based Compensation (j)	(268,134)	(201,545)
Less: Interest Expense (k)	(104,209)	(66,602)
Impact of Consolidation (e)	(56,674)	(7,806)
Amortization of Intangibles (f)	(11,341)	(17,044)
Transaction-Related Charges (g)	(3,833)	(26,546)
Administrative Fee Adjustment (l)	(2,447)	(2,485)
Intersegment Eliminations	687	979
Total Segment Expenses (m)	$ 1,056,643	$ 1,403,689

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Other Income		
Total GAAP Other Income	$ 65,856	$ 51,637
Impact of Consolidation (e)	(65,856)	(51,637)
Total Segment Other Income	$ —	$ —

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Income Before Provision for Taxes		
Total GAAP Income Before Provision for Taxes	$ 258,356	$ 2,980,895
Less: Unrealized Performance Revenues (a)	759,316	(1,293,050)
Less: Unrealized Principal Investment (Income) Loss (b)	479,120	(26,758)
Less: Interest and Dividend Revenue (c)	(95,101)	(54,485)
Less: Other Revenue (d)	14,180	(72,819)
Plus: Unrealized Performance Allocations Compensation (i)	(313,249)	472,284
Plus: Equity-Based Compensation (j)	268,134	201,545
Plus: Interest Expense (k)	104,209	66,602
Impact of Consolidation (e)	(68,169)	(221,427)
Amortization of Intangibles (f)	11,341	17,044
Transaction-Related Charges (g)	8,621	25,333
Administrative Fee Adjustment (l)	2,447	2,485
Total Segment Distributable Earnings	$ 1,429,205	$ 2,097,649

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

	As of March 31, 2023
Total Assets	
Total GAAP Assets	$ 41,086,439
Impact of Consolidation (e)	(4,915,519)
Total Segment Assets	$ 36,170,920

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 March 31, 2023 and 2022, Other Revenue on a GAAP basis was $(14.2) million and $72.9 million, and included $(14.7) million and $72.8 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.
(f) This adjustment removes the amortization of transaction-related intangibles, which are excluded from Blackstone's segment presentation.
(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 March 31,	
	2023	**2022**
Total Segment Management and Advisory Fees, Net	$ 1,652,387	$ 1,473,368
Total Segment Fee Related Performance Revenues	148,244	558,065
Total Segment Realized Performance Revenues	641,526	1,312,810
Total Segment Realized Principal Investment Income	43,691	157,095
Total Segment Revenues	$ 2,485,848	$ 3,501,338

(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 March 31, 2023	Three Months Ended March 31, 2022
Total Segment Fee Related Compensation	$ 508,971	$ 670,471
Total Segment Realized Performance Compensation	296,024	519,120
Total Segment Other Operating Expenses	251,648	214,098
Total Segment Expenses	$ 1,056,643	$ 1,403,689

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 months ended March 31, 2023 and 2022:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Management and Advisory Fees, Net		
GAAP	$ 1,658,315	$ 1,475,936
Segment Adjustment (a)	(5,928)	(2,568)
Total Segment	$ 1,652,387	$ 1,473,368

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
GAAP Realized Performance Revenues to Total Segment Fee Related Performance Revenues		
GAAP		
Incentive Fees	$ 142,876	$ 104,489
Investment Income - Realized Performance Allocations	646,894	1,766,386
GAAP	789,770	1,870,875
Total Segment		
Less: Realized Performance Revenues	(641,526)	(1,312,810)
Total Segment	$ 148,244	$ 558,065

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

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
GAAP Compensation to Total Segment Fee Related Compensation		
GAAP		
Compensation	$ 716,285	$ 656,505
Incentive Fee Compensation	63,281	41,019
Realized Performance Allocations Compensation	296,794	717,601
GAAP	1,076,360	1,415,125
Total Segment		
Less: Realized Performance Compensation	(296,024)	(519,120)
Less: Equity-Based Compensation - Fee Related Compensation	(265,154)	(200,387)
Less: Equity-Based Compensation - Performance Compensation	(2,980)	(1,158)
Segment Adjustment (b)	(3,231)	(23,989)
Total Segment	$ 508,971	$ 670,471

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
GAAP General, Administrative and Other to Total Segment Other Operating Expenses		
GAAP	$ 273,394	$ 240,674
Segment Adjustment (c)	(21,746)	(26,576)
Total Segment	$ 251,648	$ 214,098

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Realized Performance Revenues		
GAAP		
Incentive Fees	$ 142,876	$ 104,489
Investment Income - Realized Performance Allocations	646,894	1,766,386
GAAP	789,770	1,870,875
Total Segment		
Less: Fee Related Performance Revenues	(148,244)	(558,065)
Total Segment	$ 641,526	$ 1,312,810

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

	Three Months Ended March 31,	
	2023	2022
Realized Performance Compensation		
GAAP		
Incentive Fee Compensation	$ 63,281	$ 41,019
Realized Performance Allocation Compensation	296,794	717,601
GAAP	360,075	758,620
Total Segment		
Less: Fee Related Performance Compensation (d)	(61,071)	(238,342)
Less: Equity-Based Compensation - Performance Compensation	(2,980)	(1,158)
Total Segment	$ 296,024	$ 519,120

	Three Months Ended March 31,	
	2023	2022
Realized Principal Investment Income		
GAAP	$ 108,058	$ 285,104
Segment Adjustment (e)	(64,367)	(128,009)
Total Segment	$ 43,691	$ 157,095

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

(c) Represents the (1) removal of amortization of transaction-related intangibles, (2) removal of 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, and (3) 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.

(d) Fee related performance compensation may include equity-based compensation based on fee related performance revenues

(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 March 31, 2023 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)

	March 31, 2023			
	Consolidated Operating Partnerships	Consolidated Blackstone Funds (a)	Reclasses and Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	$ 2,830,971	$ —	$ —	$ 2,830,971
Cash Held by Blackstone Funds and Other	—	190,322	—	190,322
Investments	22,271,441	5,443,867	(729,357)	26,985,951
Accounts Receivable	885,928	39,006	—	924,934
Due from Affiliates	4,130,607	24,272	(55,114)	4,099,765
Intangible Assets, Net	230,295	—	—	230,295
Goodwill	1,890,202	—	—	1,890,202
Other Assets	830,709	2,523	—	833,232
Right-of-Use Assets	894,067	—	—	894,067
Deferred Tax Assets	2,206,700	—	—	2,206,700
Total Assets	$ 36,170,920	$ 5,699,990	$ (784,471)	$ 41,086,439
Liabilities and Equity				
Loans Payable	$ 10,569,017	$ 1,742,452	$ —	$ 12,311,469
Due to Affiliates	1,890,149	142,681	(58,648)	1,974,182
Accrued Compensation and Benefits	5,470,773	—	—	5,470,773
Securities Sold, Not Yet Purchased	3,881	—	—	3,881
Repurchase Agreements	19,563	—	—	19,563
Operating Lease Liabilities	1,016,808	—	—	1,016,808
Accounts Payable, Accrued Expenses and Other Liabilities	1,451,280	124,658	—	1,575,938
Total Liabilities	20,421,471	2,009,791	(58,648)	22,372,614
Redeemable Non-Controlling Interests in Consolidated Entities	—	1,644,697	—	1,644,697
Equity				
Common Stock	7	—	—	7
Series I Preferred Stock	—	—	—	—
Series II Preferred Stock	—	—	—	—
Additional Paid-in-Capital	5,957,054	703,354	(703,354)	5,957,054
Retained Earnings	1,156,109	22,469	(22,469)	1,156,109
Accumulated Other Comprehensive Income (Loss)	(35,490)	13,157	—	(22,333)
Non-Controlling Interests in Consolidated Entities	3,751,568	1,306,522	—	5,058,090
Non-Controlling Interests in Blackstone Holdings	4,920,201	—	—	4,920,201
Total Equity	15,749,449	2,045,502	(725,823)	17,069,128
Total Liabilities and Equity	$ 36,170,920	$ 5,699,990	$ (784,471)	$ 41,086,439

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

	December 31, 2022			
	Consolidated Operating Partnerships	Consolidated Blackstone Funds (a)	Reclasses and Eliminations	Consolidated
Assets				
Cash and Cash Equivalents	$ 4,252,003	$ —	$ —	$ 4,252,003
Cash Held by Blackstone Funds and Other	—	241,712	—	241,712
Investments	23,236,603	5,136,542	(819,894)	27,553,251
Accounts Receivable	407,681	55,223	—	462,904
Due from Affiliates	4,185,982	8,417	(47,692)	4,146,707
Intangible Assets, Net	217,287	—	—	217,287
Goodwill	1,890,202	—	—	1,890,202
Other Assets	798,299	2,159	—	800,458
Right-of-Use Assets	896,981	—	—	896,981
Deferred Tax Assets	2,062,722	—	—	2,062,722
Total Assets	$ 37,947,760	$ 5,444,053	$ (867,586)	$ 42,524,227
Liabilities and Equity				
Loans Payable	$ 10,899,584	$ 1,450,000	$ —	$ 12,349,584
Due to Affiliates	2,039,549	128,681	(49,749)	2,118,481
Accrued Compensation and Benefits	6,101,801	—	—	6,101,801
Securities Sold, Not Yet Purchased	3,825	—	—	3,825
Repurchase Agreements	89,944	—	—	89,944
Operating Lease Liabilities	1,021,454	—	—	1,021,454
Accounts Payable, Accrued Expenses and Other Liabilities	1,132,213	25,858	—	1,158,071
Total Liabilities	21,288,370	1,604,539	(49,749)	22,843,160
Redeemable Non-Controlling Interests in Consolidated Entities	3	1,715,003	—	1,715,006
Equity				
Common Stock	7	—	—	7
Series I Preferred Stock	—	—	—	—
Series II Preferred Stock	—	—	—	—
Additional Paid-in-Capital	5,935,273	800,381	(800,381)	5,935,273
Retained Earnings	1,748,106	17,456	(17,456)	1,748,106
Accumulated Other Comprehensive Income (Loss)	(35,346)	7,871	—	(27,475)
Non-Controlling Interests in Consolidated Entities	3,757,677	1,298,803	—	5,056,480
Non-Controlling Interests in Blackstone Holdings	5,253,670	—	—	5,253,670
Total Equity	16,659,387	2,124,511	(817,837)	17,966,061
Total Liabilities and Equity	$ 37,947,760	$ 5,444,053	$ (867,586)	$ 42,524,227

(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
Blackstone Dislocation Fund L.P.
BEPIF (Aggregator) SCSp
BX Shipston SCSp
Blackstone Private Equity Strategies Fund L.P.
Blackstone Private Equity Strategies Fund SICAV
Blackstone Infrastructure Hogan Co-Invest (CYM) L.P.
Clover Credit Partners CLO III, Ltd.*
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 March 31, 2023 only
** Consolidated as of December 31, 2022 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 within this Quarterly Report on Form 10-Q.

In this report, references to "Blackstone," the "Company," "we," "us" or "our" refer to Blackstone Inc. and its consolidated subsidiaries.

Our Business

Blackstone is one of the world's leading investment firms. 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 income 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 based on achieving certain investment returns (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 the performance of the underlying investments 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 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 across the globe, including 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.

Our Blackstone Real Estate Partners (“BREP”) business is geographically diversified and targets 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. BREP seeks to invest thematically in high-quality assets, focusing where we see outsized growth potential driven by global economic and demographic trends. BREP has made significant investments in logistics, office, rental housing, hospitality and retail properties around the world, as well as in a variety of real estate operating companies.

Our Core+ strategy invests in substantially stabilized real estate globally primarily through perpetual capital vehicles. These include our (a) Blackstone Property Partners funds (“BPP”), which are focused on high-quality assets in the Americas, Europe and Asia and (b) Blackstone Real Estate Income Trust, Inc. (“BREIT”) and our Blackstone European Property Income (“BEPIF”) funds, which provide income-focused individual investors access to institutional quality real estate primarily in the Americas and Europe, respectively.

Our Blackstone Real Estate Debt Strategies (“BREDS”) vehicles primarily target real estate-related debt investment opportunities. BREDS invests in both public and private markets, primarily in the U.S. and Europe. BREDS’ scale and investment mandates enable it to provide a variety of lending options for our borrowers and investment options for our investors, including commercial real estate and mezzanine loans, residential mortgage loan pools and liquid real estate-related debt securities. The BREDS platform includes high-yield real estate debt funds, liquid real estate debt funds and Blackstone Mortgage Trust, Inc. (“BXMT”), a NYSE-listed real estate investment trust (“REIT”). The BREDS platform also includes real estate credit products managed on behalf of insurance companies.

Private Equity

Our Private Equity segment includes our corporate private equity business, which consists of: (a) our global private equity funds, Blackstone Capital Partners (“BCP”), (b) our sector-focused funds, including our energy- and energy transition-focused funds, Blackstone Energy Transition Partners (“BETP”), (c) our Asia-focused private equity funds, Blackstone Capital Partners Asia and (d) our core private equity funds, Blackstone Core Equity Partners (“BCEP”). Our Private Equity segment also 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 investment platform, Blackstone Life Sciences (“BXLS”), (e) our growth equity investment platform, Blackstone Growth (“BXG”), (f) our 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 pursues transactions across industries on a global basis. It strives to create value by investing in great businesses where our capital, strategic insight, global relationships and operational support can drive transformation. Our corporate private equity business’s investment strategies and core themes continually evolve in anticipation of, or in response to, changes in the global economy, local markets, regulation, capital flows and geopolitical trends. We seek to construct a differentiated portfolio of investments with a well-defined, post-acquisition value creation strategy. Similarly, we seek investments that can generate strong unlevered returns regardless of entry or exit cycle timing. Blackstone Core Equity Partners pursues control-oriented investments in high-quality companies with durable businesses and seeks to offer a lower level of risk and a longer hold period than traditional private equity.

Tactical Opportunities pursues a thematically driven, opportunistic investment strategy. Our flexible, global mandate enables us to find differentiated opportunities across asset classes, industries, and geographies and invest behind them with the frequent use of structure to generate attractive risk-adjusted returns. With a focus on businesses and/or asset-backed investments in market sectors that are benefitting from long-term transformational tailwinds, Tactical Opportunities seeks to leverage the full power of Blackstone to help those businesses grow and improve. Tactical Opportunities' ability to dynamically shift focus to the most compelling opportunities in any market environment, combined with the business' expertise in structuring complex transactions, enables Tactical Opportunities to invest behind attractive market areas often with securities that provide downside protection and maintain upside return.

Strategic Partners, our secondary fund of funds business, is a total fund solutions provider. As a secondary investor it acquires interests in high-quality private funds from original holders seeking liquidity. Strategic Partners focuses on a range of opportunities in underlying funds such as private equity, real estate, infrastructure, venture and growth capital, credit and other types of funds, as well as general partner-led transactions and primary investments and co-investments with financial sponsors. Strategic Partners also provides investment advisory services to separately managed account clients investing in primary and secondary investments in private funds and co-investments.

BIP targets a diversified mix of core+, core and public-private partnership investments across all infrastructure sectors, including energy infrastructure, transportation, digital infrastructure, and water and waste with a primary focus in the U.S. BIP applies a disciplined, operationally intensive investment approach to investments, seeking to apply a long-term buy-and-hold strategy to large-scale infrastructure assets with a focus on delivering stable, long-term capital appreciation together with a predictable annual cash flow yield.

BXLS is our investment platform with capabilities to invest across the life cycle of companies and products within the life sciences sector. BXLS primarily focuses on investments in life sciences products in late stage clinical development within the pharmaceutical and biotechnology sectors.

BXG is our growth equity platform that seeks to deliver attractive risk-adjusted returns by investing in dynamic, growth-stage businesses, with a focus on the consumer, consumer technology, enterprise solutions, financial services and healthcare sectors.

Credit & Insurance

Our Credit & Insurance segment includes Blackstone Credit ("BXC"). BXC is one of the largest credit-oriented managers and CLO managers in the world. The investment portfolios of the funds BXC manages or sub-advises consist primarily of loans and securities of non-investment and 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. BXC's private credit strategies include mezzanine and direct lending funds, private placement strategies, stressed/distressed strategies and energy strategies (including our sustainable resources platform). BXC's direct lending funds include Blackstone Private Credit Fund ("BCRED") and Blackstone Secured Lending Fund ("BXSL"), both of which are business development companies ("BDCs"). BXC's liquid credit strategies consist of CLOs, closed-ended funds, open-ended funds, systematic strategies and separately managed accounts.

Our Credit & Insurance segment also includes our insurer-focused platform, Blackstone Insurance Solutions ("BIS"). BIS focuses on providing full investment management services for insurers' general accounts, seeking to deliver 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. BIS currently manages assets for clients that include Corebridge Financial Inc., Everlake Life Insurance Company, Fidelity & Guaranty Life Insurance Company and Resolution Life Group, among others.

In addition, our Credit & Insurance segment includes our asset-based finance platform and our publicly traded midstream energy infrastructure, listed 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, listed infrastructure, renewables and MLPs holding primarily midstream energy assets in North America.

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 (a) our GP Stakes business ("GP Stakes"), which targets minority investments in the general partners of private equity and other private-market alternative asset management firms globally, with a focus on delivering a combination of recurring annual cash flow yield and long-term capital appreciation, (b) investment platforms that invest directly, including our Blackstone Strategic Opportunity Fund, which seeks to produce long-term, risk-adjusted returns by investing in a wide variety of securities, assets and instruments, often sourced and/or managed by third party subadvisors or affiliated Blackstone managers, (c) our hedge fund seeding business and (d) registered funds that provide alternative asset solutions through daily liquidity products. Hedge Fund Solutions' overall investment philosophy is to seek to grow investors' assets through both commingled and custom-tailored investment strategies designed to deliver compelling risk-adjusted returns. Diversification, risk management and due diligence are key tenets of our approach.

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 first quarter of 2023 represented a turbulent period for markets, driven by concerns over slowing economic growth and exacerbated by stress in the U.S. and European banking systems. While the CBOE Volatility Index fell 14% in the first quarter, equity market volatility remained at elevated levels. In public markets, the S&P 500 increased 7.5% in the first quarter, largely driven by a few large technology companies. The median increase of all stocks in the S&P 500 was approximately 2.0% in the first quarter. There was wide dispersion in sector performance, with the best performing sector in the quarter, information technology, up 21.8%. The worst performing sector in the quarter, financials, declined 5.6% amid market concerns regarding liquidity and capital strength and the failure of multiple U.S. regional banks. In credit markets, the S&P leveraged loan index increased by 3.2% and the Credit Suisse high yield bond index increased by 3.9% in the first quarter. High yield spreads tightened by 18 basis points sequentially, while issuance decreased 18% compared to the first quarter of 2022.

Inflation has moderated in the U.S., where the rate of inflation saw a year-over-year increase in the CPI in March of 5.0%, down from a prior peak of 9.1% in June 2022 and down from 6.5% in December 2022. The Federal Reserve further raised the federal funds target range by 50 basis points in the first quarter of 2023 to 4.75%-5.00% and another 25 basis points in May 2023 - the tenth consecutive rate hike. The current target range of 5.00%-5.25% marks the first time rates are above 5.00% in over 15 years. However, inflation still remains well above the Federal Reserve’s long-run target of 2%. The ten-year U.S. Treasury yield decreased 41 basis points to 3.47% in the first quarter of 2023 and has continued to decline to 3.42% as of April 28, 2023. Meanwhile, short-term yields remained on an upward trajectory, as three-month LIBOR increased 43 basis points to 5.19% in the first quarter and has since increased to 5.30% as of April 28, 2023.

Globally, central banks continued to tighten monetary policy, driving fears of slowing economic growth and a potential recession in certain geographies. In Europe, the European Central Bank raised its deposit facility rate by 100 basis points in the quarter to 3.0%. Eurozone inflation slowed to 6.9% year over year in March, down from a peak of 10.6% in October of 2022 and down from 9.2% in December of 2022.

Despite the tightening, the economy has remained resilient to date with the U.S. unemployment rate near historically low levels, including 3.5% in March - unchanged since December 2022 and in line with early 2020, immediately prior to the coronavirus pandemic. Wages increased 4.2% year-over-year in March, while retail sales rose 2.9% year-over-year. In manufacturing, however, the ISM Manufacturing PMI decreased to 46.3 in March 2023, down from 48.4 in the fourth quarter of 2022, signaling a continued contraction in the U.S. manufacturing sector since November 2022.

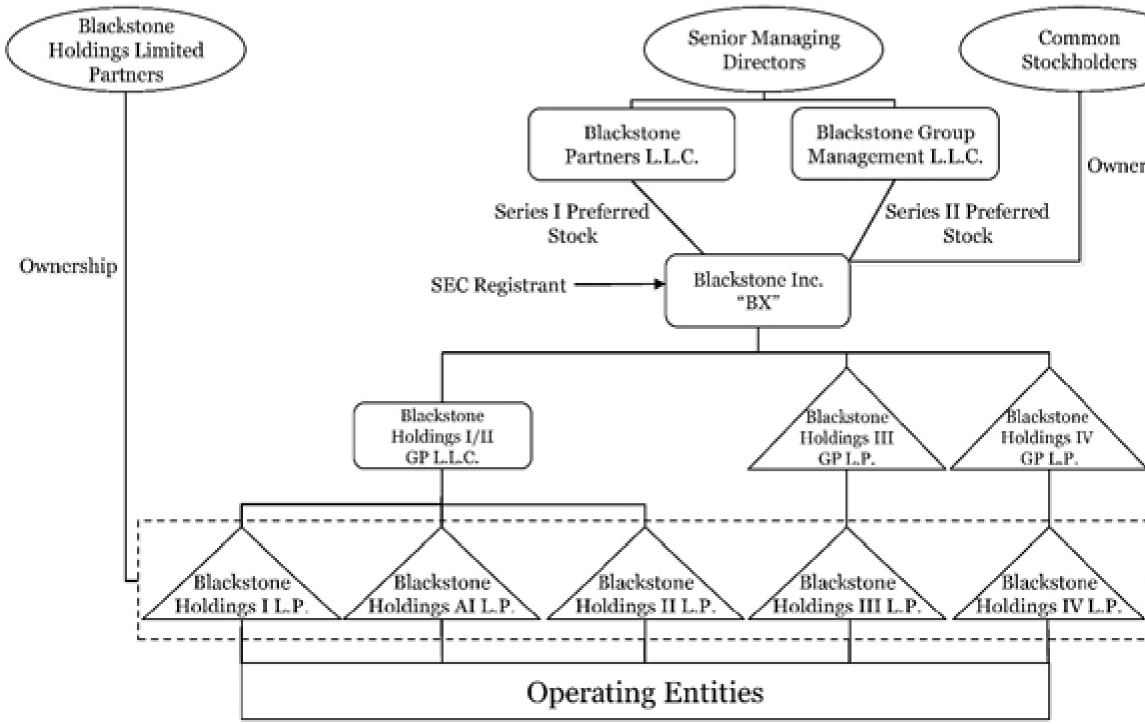
In energy, the price of West Texas Intermediate crude oil was relatively well-contained in the first quarter, trading within a tight range of $73-$82 per barrel until mid-March and ending the quarter down ~6% versus the fourth quarter of 2022. Henry Hub natural gas prices steadily declined in the first quarter, save for a brief spike in late February, ending the quarter at $2.22/MMBtu, a decrease of 50% versus the fourth quarter of 2022 level of $4.48/MMBtu.

Overall market activity levels remained muted in the first quarter. U.S. initial public offering volumes declined 77% compared to the first quarter of 2022 and U.S. announced merger and acquisition deal volumes were down 44% over the same period.

The U.S. economy has shown signs of resilience and inflation has continued to moderate. Nevertheless, economic consensus forecasts suggest that a further deceleration of the U.S. economy is likely, driven in part by historically elevated interest rates and the potential for capital constraints arising from recent stress in the global banking system.

Organizational Structure

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 Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). See "— Item 1. Financial Statements — Notes to Condensed Consolidated Financial Statements — Note 2. Summary of Significant Accounting Policies" 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 stockholders, 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 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 stockholders.

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. Blackstone believes it is useful to stockholders to review the measure that management uses in assessing segment performance. 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. The expectation is that for the full year 2023, Fee Related Compensation will be decreased by the total amount of additional Performance Compensation awarded for the year. For the three months ended March 31, 2023, Realized Performance Compensation was increased by an aggregate of $35.0 million and Fee Related Compensation was decreased by $16.3 million. These changes to Realized Performance Compensation and Fee Related Compensation reduced Net Realizations, increased Fee Related Earnings and had a negative impact to Income Before Provision (Benefit) for Taxes and Distributable Earnings in the three months ended March 31, 2023. These changes are not expected to impact Income Before Provision (Benefits) for Taxes and Distributable Earnings for the year ending December 31, 2023. These changes had an impact on individual quarters in 2022 but did not impact Income Before Provision (Benefits) for Taxes and Distributable Earnings for the year ended December 31, 2022.

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. Blackstone believes Fee Related Earnings is useful to stockholders as it provides insight into the profitability of the portion of Blackstone's business that is not dependent on realization activity. 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.

Net Accrued Performance Revenues

Net Accrued Performance Revenues is a non-GAAP financial measure Blackstone believes is useful to stockholders as an indicator of potential future realized performance revenues based on the current investment portfolio of the funds and vehicles we manage. Net Accrued Performance Revenues represents the accrued performance revenues receivable by Blackstone, net of the related accrued performance compensation payable by Blackstone, excluding performance revenues that have been realized but not yet distributed as of the reporting date and clawback amounts, if any. Net Accrued Performance Revenues is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of Investments. See "— Non-GAAP Financial Measures" for our reconciliation of Net Accrued Performance Revenues and Note 2. "Summary of Significant Accounting Policies — Equity Method Investments" in the "Notes to Consolidated Financial Statements" in "— Item 1. Financial Statements" for additional information on the calculation of Investments — Accrued Performance Allocations.

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. We believe this measure is useful to stockholders as it represents the total capital for which we provide investment management services. 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, BREIT, and BEPIF,

(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 and BDCs,

(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, Credit & Insurance and Hedge Fund Solutions segments generally have structures that afford an investor the right to withdraw or redeem their interests on a periodic basis (for example, annually, quarterly or monthly), typically with 2 to 95 days' notice, depending on the fund and the liquidity profile of the underlying assets. In our Perpetual Capital vehicles where redemption rights exist, Blackstone has the ability to fulfill redemption requests only (a) in Blackstone's or the vehicles' board's discretion, as applicable, or (b) to the extent there is sufficient new capital. Investment advisory agreements related to certain separately managed accounts in our Credit & Insurance and Hedge Fund Solutions segments, excluding our BIS separately managed accounts, may generally be terminated by an investor on 30 to 90 days' notice. Our BIS separately managed accounts can generally only be terminated for long-term underperformance, cause and certain other limited circumstances, in each case subject to Blackstone's right to cure.

"Fee-Earning Assets Under Management" refers to the assets we manage on which we derive management fees and/or performance revenues. We believe this measure is useful to stockholders as it provides insight into the capital base upon which we can earn management fees and/or performance revenues. Our Fee-Earning Assets Under Management equals the sum of:

(a) for our Private Equity segment funds, Real Estate segment carry funds including certain BREDS funds, and certain 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, BEPIF, 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 and BDCs.

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. We believe this measure is useful to stockholders as it represents capital we manage that has a longer duration and the ability to generate recurring revenues in a different manner than traditional fund structures.

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. We believe this measure is useful to stockholders as it provides insight into the extent to which capital is available for Blackstone to deploy capital into investment opportunities as they arise.

Invested Performance Eligible Assets Under Management

Invested Performance Eligible Assets Under Management represents 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. We believe Invested Performance Eligible Assets Under Management is useful to stockholders as it provides insight into the capital deployed that has the potential to generate performance revenues.

Consolidated Results of Operations

Following is a discussion of our consolidated results of operations. 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, eliminates non-controlling ownership interests in Blackstone's consolidated operating partnerships and removes the amortization of intangibles assets and Transaction-Related Charges) 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 months ended March 31, 2023 and 2022:

	Three Months Ended March 31,		2023 vs. 2022	
	2023	2022	$	%
	(Dollars in Thousands)			
Revenues				
Management and Advisory Fees, Net	$ 1,658,315	$ 1,475,936	$ 182,379	12%
Incentive Fees	142,876	104,489	38,387	37%
Investment Income (Loss)				
Performance Allocations				
Realized	646,894	1,766,386	(1,119,492)	-63%
Unrealized	(759,212)	1,293,050	(2,052,262)	n/m
Principal Investments				
Realized	108,058	285,104	(177,046)	-62%
Unrealized	(491,417)	73,961	(565,378)	n/m
Total Investment Income (Loss)	(495,677)	3,418,501	(3,914,178)	n/m
Interest and Dividend Revenue	90,485	54,485	36,000	66%
Other	(14,154)	72,869	(87,023)	n/m
Total Revenues	1,381,845	5,126,280	(3,744,435)	-73%
Expenses				
Compensation and Benefits				
Compensation	716,285	656,505	59,780	9%
Incentive Fee Compensation	63,281	41,019	22,262	54%
Performance Allocations Compensation				
Realized	296,794	717,601	(420,807)	-59%
Unrealized	(313,249)	472,284	(785,533)	n/m
Total Compensation and Benefits	763,111	1,887,409	(1,124,298)	-60%
General, Administrative and Other	273,394	240,674	32,720	14%
Interest Expense	104,441	66,747	37,694	56%
Fund Expenses	48,399	2,192	46,207	n/m
Total Expenses	1,189,345	2,197,022	(1,007,677)	-46%
Other Income				
Change in Tax Receivable Agreement Liability	(5,208)	761	(5,969)	n/m
Net Gains from Fund Investment Activities	71,064	50,876	20,188	40%
Total Other Income	65,856	51,637	14,219	28%
Income Before Provision for Taxes	258,356	2,980,895	(2,722,539)	-91%
Provision for Taxes	47,675	483,281	(435,606)	-90%
Net Income	210,681	2,497,614	(2,286,933)	-92%
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(6,700)	5,052	(11,752)	n/m
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	74,869	216,375	(141,506)	-65%
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	56,700	1,059,313	(1,002,613)	-95%
Net Income Attributable to Blackstone Inc.	$ 85,812	$ 1,216,874	$ (1,131,062)	-93%

n/m Not meaningful.

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Revenues

Revenues were $1.4 billion for the three months ended March 31, 2023, a decrease of $3.7 billion compared to $5.1 billion for the three months ended March 31, 2022. The decrease in Revenues was primarily attributable to a decrease of $3.9 billion in Investment Income (Loss), which is composed of decreases of $2.6 billion in Unrealized Investment Income (Loss) and $1.3 billion in Realized Investment Income Loss, partially offset by an increase of $182.4 million in Management and Advisory Fees, Net.

The $2.6 billion decrease in Unrealized Investment Income was primarily attributable to net unrealized depreciation of investments in the three months ended March 31, 2023 compared to net unrealized appreciation of investment holdings in the three months ended March 31, 2022 in the segments. Principal drivers of the decrease were:

- A decrease of $1.7 billion in our Real Estate segment, primarily attributable to net unrealized depreciation of investments in BREP and Core+ in the three months ended March 31, 2023 compared to the three months ended March 31, 2022. BREP and Core+ carrying value decreased 0.4% and 1.6%, respectively, in the three months ended March 31, 2023 compared to increases of 10.3% and 7.9%, respectively, in the three months ended March 31, 2022.

- A decrease of $433.7 million in our Private Equity segment was primarily attributable to net unrealized depreciation of investments in BIP and lower net unrealized appreciation in Strategic Partners in the three months ended March 31, 2023 compared to net unrealized appreciation of investments in the three months ended March 31, 2022. BIP and Strategic Partners carrying value decreased 2.6% and increased 1.4%, respectively, in the three months ended March 31, 2023 compared to increases of 13.8% and 8.5%, respectively, in the three months ended March 31, 2022.

- A decrease of $336.4 million in our Credit & Insurance segment was primarily attributable to an unrealized loss on the ownership of Corebridge common stock based on the publicly traded price as of March 31, 2023.

- The decrease of $55.4 million in our Hedge Fund Solutions segment was primarily attributable to lower net unrealized appreciation of investment holdings in liquid and specialized solutions in the three months ended March 31, 2023 compared to the three months ended March 31, 2022.

The $1.3 billion decrease in Realized Investment Income was primarily attributable to lower realized gains in our Real Estate segment.

The $182.4 million increase in Management and Advisory Fees, Net was primarily due to increases in our Real Estate and Private Equity segments of $95.8 million and $58.1 million, respectively. The increase in our Real Estate segment was primarily due to Fee-Earning Assets Under Management growth in BREP, Core+ real estate and BREDS. The increase in our Private Equity segment was primarily due to an increase in Strategic Partners and BIP.

Expenses

Expenses were $1.2 billion for the three months ended March 31, 2023, a decrease of $1.0 billion compared to $2.2 billion for the three months ended March 31, 2022. The decrease was primarily attributable to decreases of $1.1 billion in Total Compensation and Benefits, which is composed of a decrease of $1.2 billion in Performance Allocations Compensation and an increase of $59.8 million in Compensation. The decrease in Performance Allocations Compensation was primarily due to the decrease in Investment Income (Loss) – Performance Allocations, on which a portion of Performance Allocations Compensation is based.

Other Income

Other Income was $65.9 million for the three months ended March 31, 2023, an increase of $14.2 million compared to $51.6 million for the three months ended March 31, 2022. The increase in Other Income was primarily due to an increase of $20.2 million in Net Gains from Fund Investment Activities, partially offset by a decrease of $6.0 million in Change in Tax Receivable Agreement Liability.

The increase in Net Gains from Fund Investment Activities was principally driven by increases of $51.3 million and $20.5 million in our Private Equity and Hedge Fund Solutions segments, respectively, partially offset by a decrease of $56.9 million in our Real Estate segment. The increases in our Private Equity and Hedge Fund Solutions segments were primarily due to unrealized appreciation of investments in our consolidated private equity and hedge fund solutions funds, as applicable. The decrease in our Real Estate segment was primarily due to unrealized depreciation of investments in our consolidated real estate funds.

The decrease in Change in Tax Receivable Agreement Liability was primarily attributable to a change in our state tax apportionment.

Provision (Benefit) for Taxes

Blackstone's Provision (Benefit) for Taxes for the three months ended March 31, 2023 was $47.7 million, a decrease of $435.6 million, compared to $483.3 million for the three months ended March 31, 2022. This resulted in an effective tax rate of 18.5% and 16.2%, based on our Income Before Provision (Benefit) for Taxes of $258.4 million and $3.0 billion for the three months ended March 31, 2023 and 2022, respectively.

The increase in Blackstone's effective tax rate for the three months ended March 31, 2023, compared to the three months ended March 31, 2022, resulted primarily from recent increases in Blackstone's state tax provisions for the jurisdictions in which it operates.

Blackstone expects to have a corporate alternative minimum tax ("CAMT") liability for the year ending December 31, 2023 based on the recently-enacted Inflation Reduction Act. Blackstone will continue to assess the overall impact to its Provision for Income Tax upon the issuance of applicable additional guidance by the U.S. Treasury Department related to interpretations of CAMT. For the three months ended March 31, 2023, there is no meaningful CAMT impact reflected in the Provision for Income Taxes given current year tax payments made under CAMT are permitted to be carried forward and used as credits in future years resulting in a deferred tax benefit.

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.

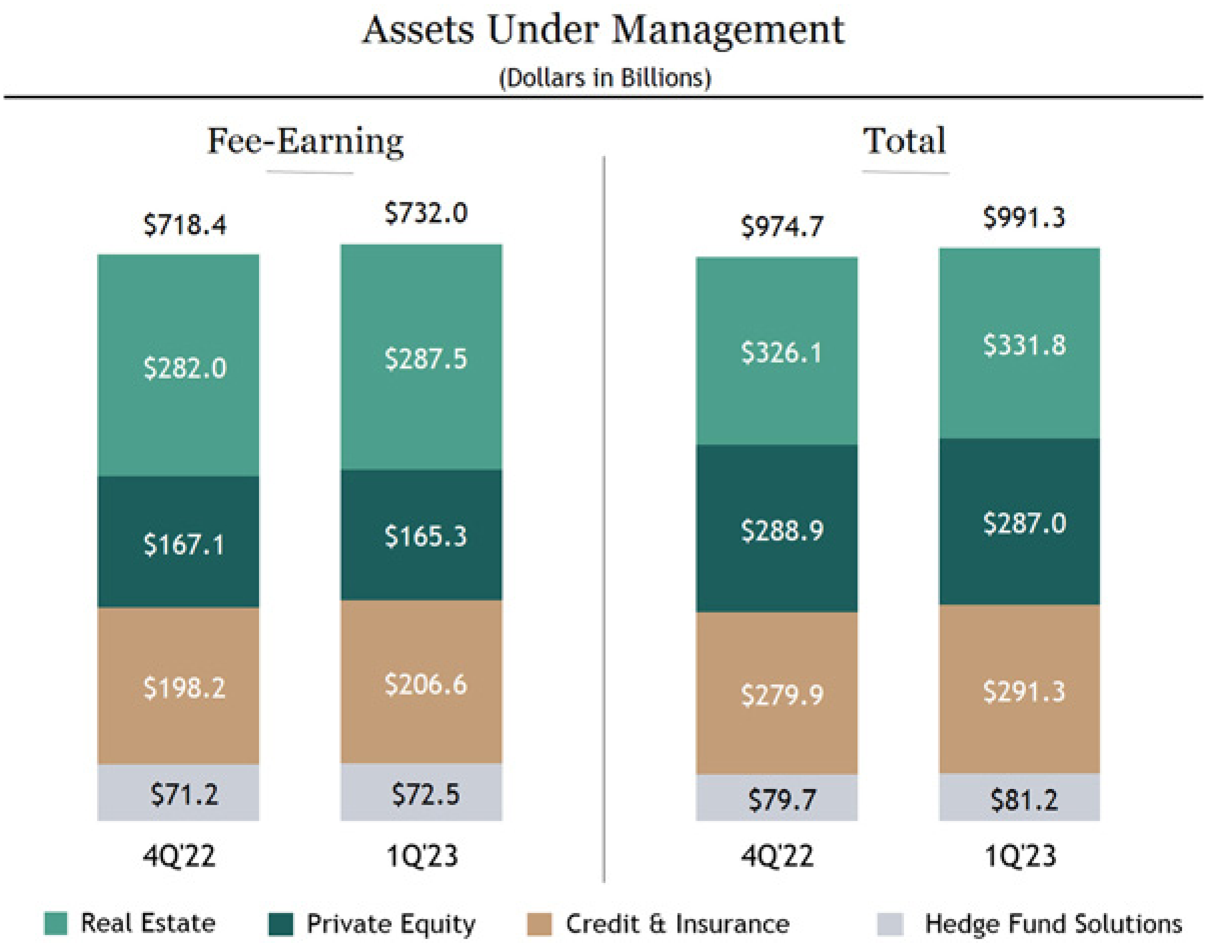
For the three months ended March 31, 2023 and 2022, the Net Income Before Taxes allocated to Blackstone personnel and others who are limited partners of Blackstone Holdings was 39.4% and 39.8%, respectively. The decrease of 0.4% was primarily due to the conversion of Blackstone Holdings Partnership Units 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 months ended March 31, 2023 and 2022. 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									
	March 31, 2023					March 31, 2022				
	Real Estate	Private Equity	Credit & Insurance	Hedge Fund Solutions	Total	Real Estate	Private Equity	Credit & Insurance	Hedge Fund Solutions	Total
	(Dollars in Thousands)									
Fee-Earning Assets Under Management										
Balance, Beginning of Period	$281,967,153	$167,082,852	$198,162,931	$71,173,952	$718,386,888	$221,476,699	$156,556,959	$197,900,832	$74,034,568	$649,969,058
Inflows (a)	15,715,717	1,779,857	12,412,934	2,058,840	31,967,348	22,791,041	5,449,946	12,949,112	4,170,080	45,360,179
Outflows (b)	(3,741,724)	(144,634)	(3,858,030)	(1,383,002)	(9,127,390)	(4,289,575)	(872,597)	(3,072,247)	(2,582,444)	(10,816,863)
Net Inflows	11,973,993	1,635,223	8,554,904	675,838	22,839,958	18,501,466	4,577,349	9,876,865	1,587,636	34,543,316
Realizations (c)	(4,493,945)	(2,943,918)	(3,231,450)	(324,743)	(10,994,056)	(5,292,057)	(2,688,240)	(3,495,939)	(362,867)	(11,839,103)
Market Activity (d)(g)	(1,949,895)	(430,652)	3,136,537	984,629	1,740,619	5,935,345	2,500,128	(3,591,933)	426,491	5,270,031
Balance, End of Period (e)	$287,497,306	$165,343,505	$206,622,922	$72,509,676	$731,973,409	$240,621,453	$160,946,196	$200,689,825	$75,685,828	$677,943,302
Increase (Decrease)	$ 5,530,153	$ (1,739,347)	$ 8,459,991	$ 1,335,724	$ 13,586,521	$ 19,144,754	$ 4,389,237	$ 2,788,993	$ 1,651,260	$ 27,974,244
Increase (Decrease)	2%	-1%	4%	2%	2%	9%	3%	1%	2%	4%
Annualized Base Management Fee Rate (f)	0.99%	1.09%	0.65%	0.76%	0.89%	1.00%	1.06%	0.59%	0.78%	0.87%

	Three Months Ended									
	March 31, 2023					March 31, 2022				
	Real Estate	Private Equity	Credit & Insurance	Hedge Fund Solutions	Total	Real Estate	Private Equity	Credit & Insurance	Hedge Fund Solutions	Total
	(Dollars in Thousands)									
Total Assets Under Management										
Balance, Beginning of Period	$326,146,904	$288,902,142	$279,908,030	$79,716,001	$974,673,077	$279,474,105	$261,471,007	$258,622,467	$81,334,141	$880,901,720
Inflows (a)	17,045,929	4,556,005	16,589,263	2,168,497	40,359,694	17,043,319	9,233,637	19,582,685	4,015,331	49,874,972
Outflows (b)	(4,028,547)	(632,468)	(4,750,649)	(1,403,111)	(10,814,775)	(2,295,695)	(1,420,463)	(3,519,958)	(2,768,093)	(10,004,209)
Net Inflows	13,017,382	3,923,537	11,838,614	765,386	29,544,919	14,747,624	7,813,174	16,062,727	1,247,238	39,870,763
Realizations (c)	(4,423,681)	(8,620,785)	(4,576,693)	(330,677)	(17,951,836)	(9,537,783)	(7,725,833)	(5,533,849)	(438,445)	(23,235,910)
Market Activity (d)(h)	(2,943,267)	2,843,547	4,098,895	1,028,261	5,027,436	13,512,837	6,398,003	(2,709,564)	753,893	17,955,169
Balance, End of Period (e)	$331,797,338	$287,048,441	$291,268,846	$81,178,971	$991,293,596	$298,196,783	$267,956,351	$266,441,781	$82,896,827	$915,491,742
Increase (Decrease)	$ 5,650,434	$ (1,853,701)	$ 11,360,816	$ 1,462,970	$ 16,620,519	$ 18,722,678	$ 6,485,344	$ 7,819,314	$ 1,562,686	$ 34,590,022
Increase (Decrease)	2%	-1%	4%	2%	2%	7%	2%	3%	2%	4%

(a) Inflows include 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 March 31, 2023, the impact to Fee-Earning Assets Under Management due to foreign exchange rate fluctuations was \$662.2 million, \$27.8 million, \$314.6 million, \$(112.6) million and \$892.1 million for the Real Estate, Private Equity, Credit & Insurance, Hedge Fund Solutions and Total segments, respectively. For the three months ended March 31, 2022, such impact was \$(977.5) million, \$(359.5) million and (\$1.4) billion for the Real Estate, Credit & Insurance and Total segments, respectively.
(h) For the three months ended March 31, 2023, the impact to Total Assets Under Management due to foreign exchange rate fluctuations was \$845.2 million, \$695.4 million, \$386.2 million, \$(105.0) million and \$1.8 billion for the Real Estate, Private Equity, Credit & Insurance, Hedge Fund Solutions and Total segments, respectively. For the three months ended March 31, 2022, such impact was \$(1.8) billion, \$(517.4) million, \$(423.9) million and (\$2.8) billion for the Real Estate, Private Equity, Credit & Insurance and Total segments, respectively.

Fee-Earning Assets Under Management

Fee-Earning Assets Under Management were \$732.0 billion at March 31, 2023, an increase of \$13.6 billion compared to \$718.4 billion at December 31, 2022. The net increase was due to:

- In our Real Estate segment, an increase of \$5.5 billion from \$282.0 billion at December 31, 2022 to \$287.5 billion at March 31, 2023. The net increase was due to inflows of \$15.7 billion, offset by realizations of \$4.5 billion, outflows of \$3.7 billion and market depreciation of \$1.9 billion.

    - Inflows were driven by \$7.4 billion from BREIT, including \$4.5 billion from the Regents of the University of California ("UC Investments"), \$5.3 billion from BREDS, primarily due to allocations of insurance capital, \$2.0 billion from BREP and co-investment, primarily from BREP X and \$929.1 million from BPP and co-investment.
    - Realizations were driven by \$2.4 billion from BREIT, \$982.1 million from BREDS, \$788.9 million from BPP and co-investment and \$306.8 million from BREP and co-investment.
    - Outflows were driven by \$3.4 billion from BREIT and \$274.4 million from BPP and co-investment, both primarily from repurchases.
    - Market depreciation was driven by depreciation of \$2.2 billion from Core+ real estate (which reflected \$496.6 million of foreign exchange appreciation), partially offset by market appreciation of \$141.6 million from BREP and co-investment (which reflected \$141.6 million of foreign exchange appreciation) and \$138.8 million from BREDS (which reflected \$23.9 million of foreign exchange appreciation).

- In our Private Equity segment, a decrease of $1.7 billion from $167.1 billion at December 31, 2022 to $165.3 billion at March 31, 2023. The net decrease was due to realizations of $2.9 billion, market depreciation of $430.7 million and outflows of $144.6 million, offset by inflows of $1.8 billion.

  - Realizations were driven by $1.1 billion from corporate private equity, $889.9 million from Tactical Opportunities, $649.7 million from Strategic Partners and $267.1 million from BIP.
  - Market depreciation was driven by deprecation of $539.8 million from BIP (which reflected $44.2 million of foreign exchange appreciation), partially offset by market appreciation of $96.5 million from Strategic Partners.
  - Outflows were driven by $215.3 million from Tactical Opportunities.
  - Inflows were driven by $762.2 million from BIP, $646.7 million from Strategic Partners and $563.4 million from Tactical Opportunities.

- In our Credit & Insurance segment, an increase of $8.5 billion from $198.2 billion at December 31, 2022 to $206.6 billion at March 31, 2023. The net increase was due to inflows of $12.4 billion and market appreciation of $3.1 billion, offset by outflows of $3.9 billion, and realizations of $3.2 billion.

  - Inflows were driven by $4.1 billion from CLOs, $3.5 billion from liquid credit strategies, $1.9 billion from direct lending and $1.4 billion from asset-based finance.
  - Market appreciation was driven by appreciation of $1.5 billion from liquid credit strategies (which reflected $19.3 million of foreign exchange appreciation), $988.1 million from direct lending (which reflected $112.5 million of foreign exchange appreciation) and $247.6 million from private placement credit.
  - Outflows were driven by $2.2 billion from liquid credit strategies, $931.8 million from direct lending and $318.5 million from MLP strategies.
  - Realizations were driven by $1.5 billion from direct lending, $572.2 million from mezzanine funds and $406.3 million from our energy strategies.

- In our Hedge Fund Solutions segment, an increase of $1.3 billion from $71.2 billion at December 31, 2022 to $72.5 billion at March 31, 2023. The net increase was due to inflows of $2.1 billion and market appreciation of $984.6 million, offset by outflows of $1.4 billion and realizations of $324.7 million.

  - Inflows were driven by $1.2 billion from customized solutions, $727.5 million from liquid and specialized solutions and $99.4 million from commingled products.
  - Market appreciation was driven by appreciation of $538.2 million from liquid and specialized solutions (which reflected $4.2 million of foreign exchange appreciation), $244.3 million from customized solutions (which reflected $162.0 million of foreign exchange depreciation) and $202.0 million from commingled products (which reflected $45.2 million of foreign exchange appreciation).
  - Outflows were driven by $748.6 million from customized solutions, $534.1 million from liquid and specialized solutions and $100.3 million from commingled products.
  - Realizations were driven by $324.7 million from liquid and specialized solutions.

Total Assets Under Management

Total Assets Under Management were $991.3 billion at March 31, 2023, an increase of $16.6 billion compared to $974.7 billion at December 31, 2022. The net increase was due to:

- In our Real Estate segment, an increase of $5.7 billion from $326.1 billion at December 31, 2022 to $331.8 billion at March 31, 2023. The net increase was due to inflows of $17.0 billion, offset by realizations of $4.4 billion, outflows of $4.0 billion and market depreciation of $2.9 billion.

    - Inflows were driven by $7.4 billion from BREIT, including $4.5 billion from UC Investments, $7.2 billion from BREDS, primarily due to allocations of insurance capital and BREDS V, $1.8 billion from BREP and co-investment, primarily from BREP X (bringing total capital commitments in BREP X to $30.4 billion), and $507.4 million from BPP and co-investment.
    - Realizations were driven by $2.4 billion from BREIT, $814.4 million from BPP and co-investment, $671.0 million from BREDS and $515.9 million from BREP and co-investment.
    - Outflows were driven by $3.4 billion from BREIT repurchases, $287.2 million from BPP and co-investment, primarily from repurchases, and $225.5 million from BREDS.
    - Market depreciation was driven by depreciation of $2.2 billion from Core+ real estate (which reflected $515.8 million of foreign exchange appreciation), $621.0 million from BREDS (which reflected $31.0 million of foreign exchange appreciation) and $81.5 million from BREP and co-investment (which reflected $298.2 million of foreign exchange appreciation).

- In our Private Equity segment, a decrease of $1.9 billion from $288.9 billion at December 31, 2022 to $287.0 billion at March 31, 2023. The net decrease was due to realizations of $8.6 billion and outflows of $632.5 million, offset by inflows of $4.6 billion and market appreciation of $2.8 billion.

    - Realizations were driven by $4.6 billion from corporate private equity, $1.9 billion from Tactical Opportunities and $1.6 billion from Strategic Partners.
    - Outflows were driven by $220.3 million from Strategic Partners, $214.5 million from corporate private equity and $179.2 million from Tactical Opportunities.
    - Inflows were driven by $1.7 billion from BIP, $1.4 billion from corporate private equity, $903.9 million from Strategic Partners and $575.8 million from BXG.
    - Market appreciation was driven by appreciation of $2.2 billion from corporate private equity (which reflected $521.8 million of foreign exchange appreciation) and $546.7 million from Strategic Partners (which reflected $17.5 million of foreign exchange depreciation).

- In our Credit & Insurance segment, an increase of $11.4 billion from $279.9 billion at December 31, 2022 to $291.3 billion at March 31, 2023. The net increase was due to inflows of $16.6 billion and market appreciation of $4.1 billion, offset by outflows of $4.8 billion and realizations of $4.6 billion.

    - Inflows were driven by $6.3 billion from direct lending, $4.1 billion from CLOs, $2.6 billion from liquid credit strategies, $1.8 billion from asset-based finance and $1.3 billion from our energy strategies.
    - Market appreciation was driven by appreciation of $1.6 billion from liquid credit strategies (which reflected $71.7 million of foreign exchange appreciation), $1.4 billion from direct lending (which reflected $105.7 million of foreign exchange appreciation), $247.6 million from private placement credit and $227.0 million from MLP strategies.
    - Outflows were driven by $2.4 billion from liquid credit strategies, $1.3 billion from direct lending and $466.0 million from asset-based finance.
    - Realizations were driven by $1.9 billion from direct lending, $1.1 billion from mezzanine funds and $771.9 million from our energy strategies.

- In our Hedge Fund Solutions segment, an increase of $1.5 billion from $79.7 billion at December 31, 2022 to $81.2 billion at March 31, 2023. The net increase was due to inflows of $2.2 billion and market appreciation of $1.0 billion, offset by outflows of $1.4 billion and realizations of $330.7 million.

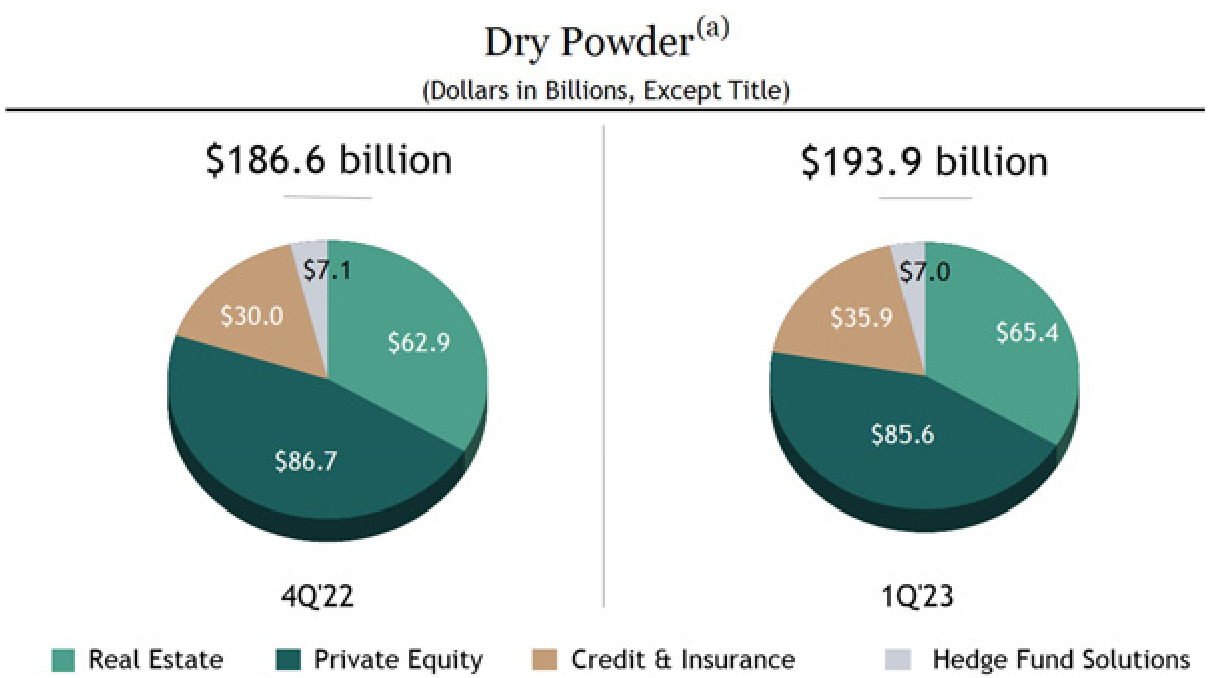
  - Inflows were driven by $1.2 billion from customized solutions, $774.4 million from liquid and specialized solutions and $145.5 million from commingled products.
  - Market appreciation was driven by appreciation of $562.3 million from liquid and specialized solutions (which reflected $3.4 million of foreign exchange appreciation), $239.3 million from customized solutions (which reflected $163.3 million of foreign exchange depreciation) and $226.6 million from commingled products (which reflected $55.0 million of foreign exchange appreciation).
  - Outflows were driven by $762.6 million from customized solutions, $539.9 million from liquid and specialized solutions and $100.6 million from commingled products.
  - Realizations were driven by $330.7 million from liquid and specialized solutions.

Total Assets Under Management inflows in our Credit & Insurance segment direct lending funds exceed the Fee-Earning Assets Under Management because Total Assets Under Management inflows are reported at their gross value while, for certain funds, Fee-Earning Assets Under Management are reported as net assets, which is the basis on which fees are charged.

Total Assets Under Management realizations in our BREP and co-investment funds and our Private Equity segment generally represents the total proceeds and typically exceeds the Fee-Earning Assets Under Management realizations. Fee-Earning Assets Under Management generally represents only the invested capital.

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 March 31, 2023 and 2022. Net Accrued Performance Revenues presented do not include 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.

	March 31,	
	2023	**2022**
	(Dollars in Millions)	
Real Estate		
BREP IV	$ 6	$ 6
BREP V	4	1
BREP VI	19	38
BREP VII	86	527
BREP VIII	717	990
BREP IX	1,015	1,139
BREP Europe IV	43	93
BREP Europe V	28	548
BREP Europe VI	68	301
BREP Asia I	104	126
BREP Asia II	37	189
BPP	518	734
BEPIF	—	6
BREDS	6	37
BTAS	22	83
Total Real Estate (a)	2,672	4,817
Private Equity		
BCP IV	6	8
BCP V	31	—
BCP VI	407	475
BCP VII	854	1,257
BCP VIII	276	315
BCP Asia I	95	330
BEP I	26	27
BEP II	2	—
BEP III	158	93
BCEP I	213	222
Tactical Opportunities	223	378
BXG	—	12
Strategic Partners	511	570
BIP	158	106
BXLS	29	22
BTAS/Other	172	255
Total Private Equity (a)	3,161	4,070
Credit & Insurance	239	318
Hedge Fund Solutions	300	342
Total Blackstone Net Accrued Performance Revenues	$ 6,372	$ 9,546

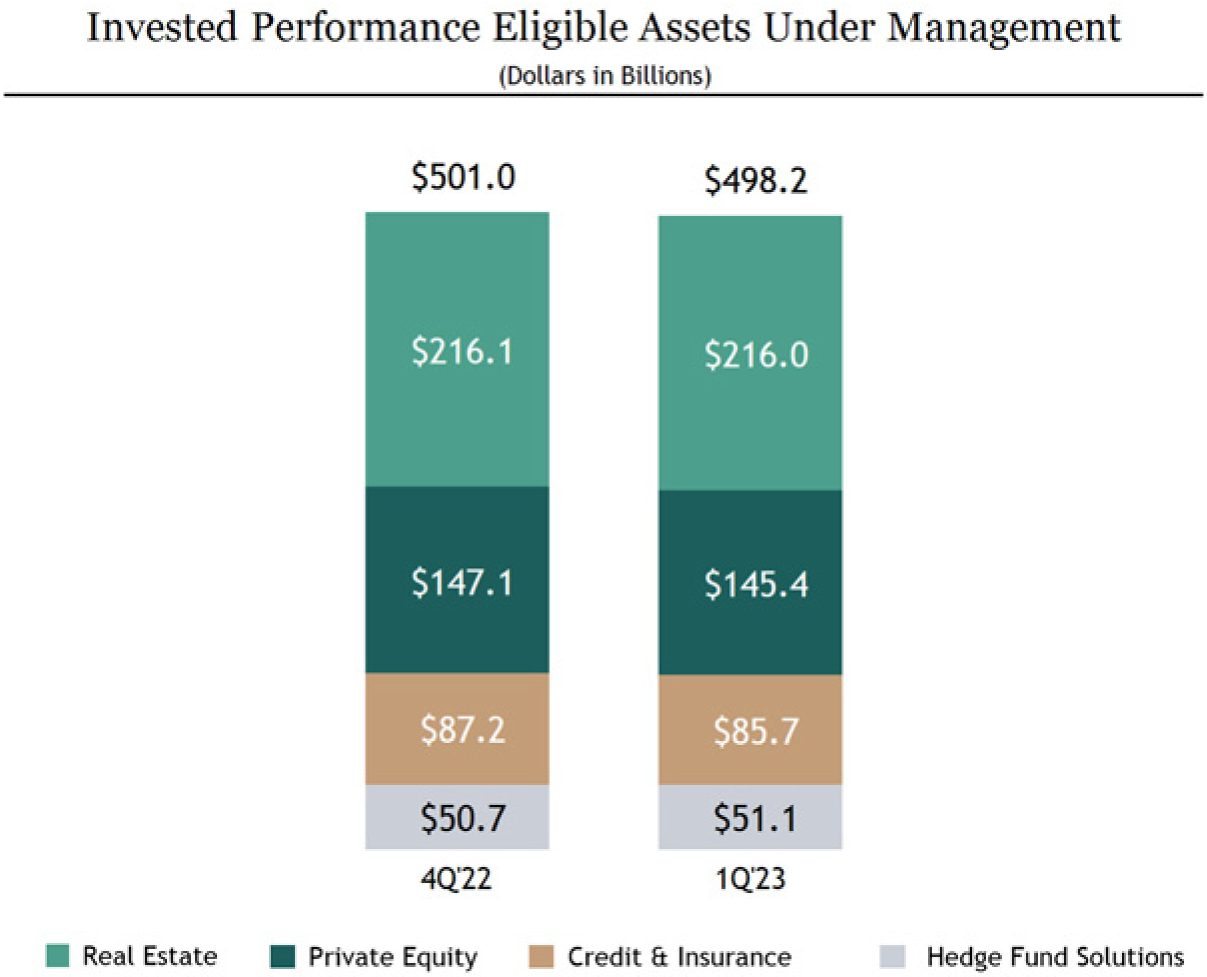
Note: Totals may not add due to rounding.

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

For the twelve months ended March 31, 2023, Net Accrued Performance Revenues receivable decreased due to net realized distributions of $2.8 billion, partially offset by Net Performance Revenues of $352.5 million.

Invested Performance Eligible Assets Under Management

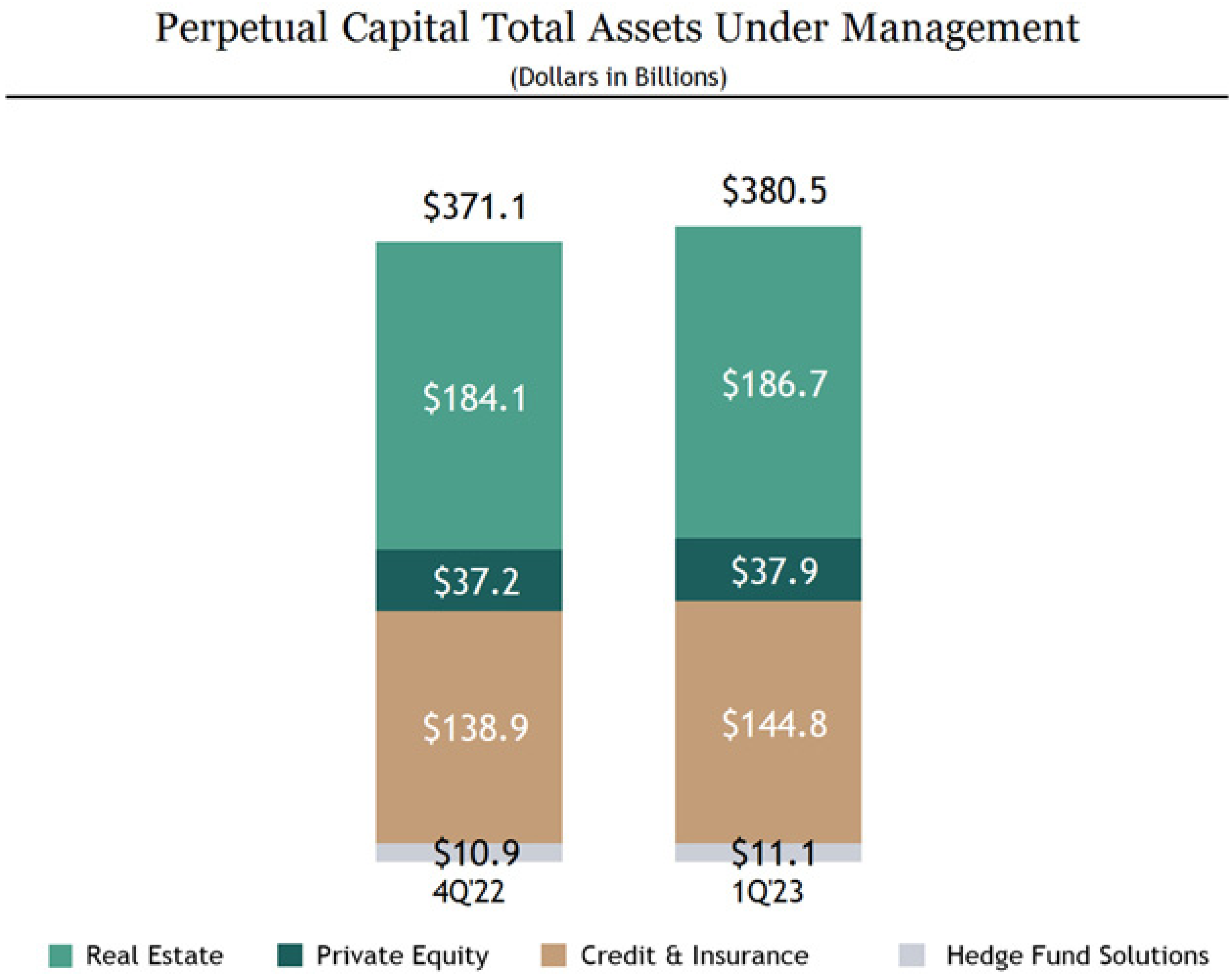
The following presents our Invested Performance Eligible Assets Under Management as of quarter end for each period:



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.

Perpetual Capital Total Assets Under Management were $380.5 billion as of March 31, 2023, an increase of $9.4 billion, compared to $371.1 billion as of December 31, 2022. Perpetual Capital Total Assets Under Management in our Credit & Insurance and Real Estate segments increased $5.9 billion and $2.6 billion, respectively. Principal drivers of these increases were:

- In our Credit & Insurance segment, net Total Assets Under Management growth in BIS resulted in an increase of $5.1 billion.
- In our Real Estate segment, net Total Assets Under Management growth in insurance capital managed in the Real Estate segment and growth in BREIT resulted in increases of $4.8 billion and $1.2 billion, respectively, partially offset by decreases of $2.4 billion and $951.0 million in BPP and BXMT, respectively.

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 carry/drawdown funds and selected perpetual capital strategies from inception through March 31, 2023:

Carry/Drawdown Funds

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)										
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	—	19,634	n/a	—	4,641,310	1.7x	4,660,944	1.7x	12%	12%
BREP V (Dec 2005 / Feb 2007)	5,539,418	—	5,571	n/a	—	13,463,448	2.3x	13,469,019	2.3x	11%	11%
BREP VI (Feb 2007 / Aug 2011)	11,060,444	550,388	203,661	1.3x	70%	27,526,436	2.5x	27,730,097	2.5x	13%	13%
BREP VII (Aug 2011 / Apr 2015)	13,501,872	1,479,486	2,788,711	0.7x	5%	28,157,750	2.4x	30,946,461	2.0x	22%	15%
BREP VIII (Apr 2015 / Jun 2019)	16,596,889	2,215,570	13,968,827	1.5x	—	21,522,012	2.5x	35,490,839	2.0x	28%	16%
BREP IX (Jun 2019 / Aug 2022)	21,306,836	3,877,824	26,717,962	1.5x	1%	7,802,955	2.2x	34,520,917	1.6x	65%	27%
*BREP X (Aug 2022 / Feb 2028)	30,415,919	29,626,653	898,174	1.1x	67%	—	n/a	898,174	1.1x	n/a	n/m
Total Global BREP	$ 103,862,541	$ 37,749,921	$ 44,602,540	1.4x	3%	$ 110,648,829	2.4x	$ 155,251,369	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	—	2,583,032	1.8x	2,583,032	1.8x	8%	8%
BREP Europe III (Jun 2008 / Sep 2013)	3,205,453	395,252	232,011	0.4x	—	5,853,092	2.4x	6,085,103	2.0x	18%	14%
BREP Europe IV (Sep 2013 / Dec 2016)	6,673,049	1,393,544	1,324,580	1.0x	—	9,904,968	2.0x	11,229,548	1.8x	19%	13%
BREP Europe V (Dec 2016 / Oct 2019)	7,968,437	1,308,022	5,056,572	1.0x	—	6,678,098	3.9x	11,734,670	1.7x	42%	11%
*BREP Europe VI (Oct 2019 / Apr 2025)	10,003,818	5,318,763	5,649,050	1.2x	—	3,413,426	2.6x	9,062,476	1.5x	71%	20%
Total BREP Europe	€ 30,304,677	€ 8,415,581	€ 12,262,213	1.1x	—	€ 29,805,786	2.4x	€ 42,067,999	1.7x	17%	12%

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)	$ 4,263,411	$ 897,686	$ 2,072,851	1.4x	6%	$ 6,483,462	2.1x	$ 8,556,313	1.8x	20%	12%
BREP Asia II (Dec 2017 / Mar 2022)	7,346,689	1,497,375	7,161,885	1.3x	—	1,211,818	1.8x	8,373,703	1.3x	35%	8%
*BREP Asia III (Mar 2022 / Sep 2027)	8,220,836	7,219,363	1,002,080	1.0x	—	—	n/a	1,002,080	1.0x	n/a	n/m
BREP Co-Investment (f)	7,298,796	35,018	1,034,501	2.2x	—	15,092,405	2.2x	16,126,906	2.2x	16%	16%
Total BREP	$ 167,079,201	$ 56,521,012	$ 69,825,600	1.3x	2%	$ 169,896,207	2.3x	$ 239,721,807	1.9x	17%	15%
*BREDS High-Yield (Various) (g)	$ 23,477,120	$ 8,122,320	$ 5,557,130	1.0x	—	$ 17,422,179	1.3x	$ 22,979,309	1.2x	10%	9%
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	—	3,268,627	2.5x	3,268,627	2.5x	32%	32%
BCP III (Aug 1997 / Nov 2002)	3,967,422	—	—	n/a	—	9,228,707	2.3x	9,228,707	2.3x	14%	14%
BCOM (Jun 2000 / Jun 2006)	2,137,330	24,575	16,242	n/a	—	2,981,999	1.4x	2,998,241	1.4x	6%	6%
BCP IV (Nov 2002 / Dec 2005)	6,773,182	195,824	28,554	n/a	—	21,694,051	2.9x	21,722,605	2.9x	36%	36%
BCP V (Dec 2005 / Jan 2011)	21,009,112	1,035,259	169,493	11.5x	95%	38,675,419	1.9x	38,844,912	1.9x	8%	8%
BCP VI (Jan 2011 / May 2016)	15,195,536	1,341,319	6,104,724	1.9x	31%	26,616,194	2.3x	32,720,918	2.2x	15%	13%
BCP VII (May 2016 / Feb 2020)	18,854,174	1,690,971	20,129,358	1.6x	26%	13,382,133	2.6x	33,511,491	1.9x	33%	14%
*BCP VIII (Feb 2020 / Feb 2026)	25,651,112	13,179,751	16,615,869	1.3x	6%	978,651	2.6x	17,594,520	1.3x	n/m	14%
BCP IX (TBD)	15,547,350	15,547,350	—	n/a	—	—	n/a	—	n/a	n/a	n/a
Energy I (Aug 2011 / Feb 2015)	2,441,558	174,492	527,407	1.4x	48%	4,306,894	1.9x	4,834,301	1.9x	14%	11%
Energy II (Feb 2015 / Feb 2020)	4,628,418	1,017,254	4,227,602	1.7x	60%	3,075,041	1.5x	7,302,643	1.6x	9%	8%
*Energy III (Feb 2020 / Feb 2026)	4,366,334	2,314,765	3,624,077	1.9x	28%	1,018,342	2.3x	4,642,419	2.0x	60%	43%
BCP Asia I (Dec 2017 / Sep 2021)	2,438,028	418,459	2,841,512	1.5x	28%	1,720,561	5.4x	4,562,073	2.1x	93%	29%
*BCP Asia II (Sep 2021 / Sep 2027)	6,656,118	5,906,814	689,960	1.1x	—	—	n/a	689,960	1.1x	n/a	n/m
Core Private Equity I (Jan 2017 / Mar 2021) (h)	4,761,609	1,158,622	7,517,278	2.0x	—	2,293,838	4.1x	9,811,116	2.3x	55%	20%
*Core Private Equity II (Mar 2021 / Mar 2026) (h)	8,205,237	5,721,026	2,811,586	1.2x	—	59,581	n/a	2,871,167	1.2x	n/a	10%
Total Corporate Private Equity	$ 144,852,701	$ 49,726,481	$ 65,303,662	1.5x	20%	$ 131,041,776	2.2x	$ 196,345,438	1.9x	16%	15%

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)										
Private Equity (continued)											
Tactical Opportunities											
*Tactical Opportunities (Various)	$ 28,780,088	$ 14,588,176	$ 11,030,696	1.2x	10%	$ 22,016,525	1.9x	$ 33,047,221	1.6x	17%	11%
*Tactical Opportunities Co-Investment and Other (Various)	9,900,804	1,301,237	4,499,802	1.7x	7%	8,708,383	1.6x	13,208,185	1.6x	18%	17%
Total Tactical Opportunities	$ 38,680,892	$ 15,889,413	$ 15,530,498	1.3x	9%	$ 30,724,908	1.8x	$ 46,255,406	1.6x	17%	12%
Growth											
*BXG I (Jul 2020 / Jul 2025)	$ 5,056,267	$ 1,245,453	$ 3,635,281	1.0x	5%	$ 402,400	3.2x	$ 4,037,681	1.1x	n/m	-1%
BXG II (TBD)	4,045,697	4,045,697	—	n/a	—	—	n/a	—	n/a	n/a	n/a
Total Growth	$ 9,101,964	$ 5,291,150	$ 3,635,281	1.0x	5%	$ 402,400	3.2x	$ 4,037,681	1.1x	n/m	-1%
Strategic Partners (Secondaries)											
Strategic Partners I-V (Various) (i)	$ 11,447,898	$ 641,841	$ 351,910	n/a	—	$ 16,969,978	n/a	$ 17,321,888	1.7x	n/a	13%
Strategic Partners VI (Apr 2014 / Apr 2016) (i)	4,362,772	878,426	963,932	n/a	—	4,085,158	n/a	5,049,090	1.7x	n/a	14%
Strategic Partners VII (May 2016 / Mar 2019) (i)	7,489,970	1,781,038	4,316,007	n/a	—	6,260,527	n/a	10,576,534	2.0x	n/a	19%
Strategic Partners Real Assets II (May 2017 / Jun 2020) (i)	1,749,807	476,907	1,027,150	n/a	—	1,100,472	n/a	2,127,622	1.5x	n/a	14%
Strategic Partners VIII (Mar 2019 / Oct 2021) (i)	10,763,600	4,590,297	8,418,380	n/a	—	5,894,590	n/a	14,312,970	1.8x	n/a	35%
*Strategic Partners Real Estate, SMA and Other (Various) (i)	9,072,886	3,183,860	3,179,914	n/a	—	3,488,377	n/a	6,668,291	1.7x	n/a	19%
*Strategic Partners Infrastructure III (Jun 2020 / Jul 2024) (i)	3,250,100	1,423,545	1,271,893	n/a	—	239,153	n/a	1,511,046	1.4x	n/a	31%
*Strategic Partners IX (Oct 2021 / Jan 2027) (i)	19,492,126	12,551,380	3,907,359	n/a	—	538,872	n/a	4,446,231	1.3x	n/a	21%
Total Strategic Partners (Secondaries)	$ 67,629,159	$ 25,527,294	$ 23,436,545	n/a	—	$ 38,577,127	n/a	$ 62,013,672	1.7x	n/a	15%
Life Sciences											
Clarus IV (Jan 2018 / Jan 2020)	$ 910,000	$ 97,447	$ 940,338	1.6x	1%	$ 284,314	1.9x	$ 1,224,652	1.7x	21%	13%
*BXLS V (Jan 2020 / Jan 2025)	4,907,799	3,468,466	1,608,935	1.4x	3%	95,055	1.1x	1,703,990	1.4x	n/m	5%

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)										
Credit											
Mezzanine / Opportunistic I (Jul 2007 / Oct 2011)	$ 2,000,000	$ 97,114	$ —	n/a	—	$ 4,809,097	1.6x	$ 4,809,097	1.6x	n/a	17%
Mezzanine / Opportunistic II (Nov 2011 / Nov 2016)	4,120,000	994,949	158,837	0.2x	—	6,586,920	1.6x	6,745,757	1.4x	n/a	10%
Mezzanine / Opportunistic III (Sep 2016 / Jan 2021)	6,639,133	813,501	3,309,664	1.0x	1%	6,429,958	1.6x	9,739,622	1.4x	n/a	11%
*Mezzanine / Opportunistic IV (Jan 2021 / Jan 2026)	5,016,771	3,117,621	2,901,910	1.1x	—	149,566	n/m	3,051,476	1.1x	n/a	11%
Stressed / Distressed I (Sep 2009 / May 2013)	3,253,143	—	—	n/a	—	5,777,098	1.3x	5,777,098	1.3x	n/a	9%
Stressed / Distressed II (Jun 2013 / Jun 2018)	5,125,000	547,430	280,321	0.4x	—	5,287,126	1.2x	5,567,447	1.1x	n/a	1%
Stressed / Distressed III (Dec 2017 / Dec 2022)	7,356,380	2,299,547	3,005,197	1.0x	—	3,146,337	1.4x	6,151,534	1.1x	n/a	7%
Energy I (Nov 2015 / Nov 2018)	2,856,867	1,045,875	775,134	1.2x	—	2,711,666	1.6x	3,486,800	1.5x	n/a	10%
*Energy II (Feb 2019 / Feb 2024)	3,616,081	1,618,066	2,112,062	1.1x	—	1,301,896	1.6x	3,413,958	1.2x	n/a	20%
European Senior Debt I (Feb 2015 / Feb 2019)	€ 1,964,689	€ 473,985	€ 639,489	0.7x	—	€ 2,559,005	1.4x	€ 3,198,494	1.2x	n/a	2%
*European Senior Debt II (Jun 2019 / Jun 2024)	€ 4,088,344	€ 1,085,456	€ 4,254,443	1.0x	—	€ 1,590,110	1.9x	€ 5,844,553	1.1x	n/a	11%
Total Credit Drawdown Funds (j)	$ 46,889,033	$ 12,228,380	$ 17,860,139	0.9x	—	$ 41,019,983	1.5x	$ 58,880,122	1.3x	n/a	10%

Selected Perpetual Capital Strategies (k)

Fund (Inception Year) (a)	**Investment Strategy**	**Total AUM**	**Total Net Return (l)**
	(Dollars in Thousands, Except Where Noted)		
Real Estate			
BPP - Blackstone Property Partners (2013) (m)	Core+ Real Estate	$ 70,595,493	9%
BREIT - Blackstone Real Estate Income Trust (2017) (n)	Core+ Real Estate	69,711,147	11%
BREIT - Class I (o)	*Core+ Real Estate*		*12%*
BXMT - Blackstone Mortgage Trust (2013) (p)	Real Estate Debt	5,600,003	5%
Private Equity			
BIP - Blackstone Infrastructure Partners (2019) (q)	Infrastructure	28,593,836	15%
Credit			
BXSL - Blackstone Secured Lending Fund (2018) (r)	U.S. Direct Lending	10,878,825	10%
BCRED - Blackstone Private Credit Fund (2021) (s)	U.S. Direct Lending	58,964,030	8%
BCRED - Class I (t)	*U.S. Direct Lending*		*9%*
Hedge Fund Solutions			
BSCH - Blackstone Strategic Capital Holdings (2014) (u)	GP Stakes	10,147,324	12%

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.

(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 March 31, 2023 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) BREDS High-Yield represents the flagship real estate debt drawdown funds only.

(h) 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.

(i) 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.

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

(k) Represents the performance for select Perpetual Capital Strategies; strategies excluded consist primarily of (1) investment strategies that have been investing for less than one year, (2) perpetual capital assets managed for certain insurance clients, and (3) investment vehicles where Blackstone does not earn fees.

(l) Unless otherwise indicated, Total Net Return represents the annualized inception to March 31, 2023 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 investor cash flows. Initial inception date of cash flows occurred during the Inception Year.

(m) BPP represents the aggregate Total Assets Under Management and Total Net Return of the BPP Platform, which comprises over 30 funds, co-investment and separately managed account vehicles. It includes certain vehicles managed as part of the BPP Platform but not classified as Perpetual Capital. As of March 31, 2023, these vehicles represented $2.9 billion of Total Assets Under Management.

(n) The BREIT Total 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. This return is not representative of the return experienced by any particular investor or share class. Total Net Return is presented on an annualized basis and is from January 1, 2017.

(o) Represents the Total Net Return for BREIT's Class I shares, its largest share class. Performance varies by share class. Class I Total Net Return assumes reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT, Class I Total Net Return is presented on an annualized basis and is from January 1, 2017.

(p) The BXMT Total Net Return reflects annualized market return of a shareholder invested in BXMT since inception, May 22, 2013, through March 31, 2023, assuming reinvestment of all dividends received during the period.

(q) Including co-investment vehicles, BIP Total Assets Under Management is $36.1 billion.

(r) The BXSL Total Assets Under Management and Total Net Return are reported on a one-quarter lag. Refer to BXSL public filings for current quarter results. BXSL Total Net Return reflects the change in Net Asset Value ("NAV") per share, plus distributions per share (assuming dividends and distributions are reinvested in accordance with BXSL's dividend reinvestment plan) divided by the beginning NAV per share. Total Net Returns are presented on an annualized basis and are from November 20, 2018.

(s) The BCRED Total Net Return reflects a per share blended return, assuming BCRED 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 BCRED. This return is not representative of the return experienced by any particular investor or share class. Total Net Return is presented on an annualized basis and is from January 7, 2021. Total Assets Under Management reflects gross asset value plus amounts borrowed or available to be borrowed under certain credit facilities. BCRED net asset value as of March 31, 2023 was $23.1 billion.

(t) Represents the Total Net Return for BCRED's Class I shares, its largest share class. Performance varies by share class. Class I Total Net Return assumes reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BCRED. Class I Total Net Return is presented on an annualized basis and is from January 7, 2021.

(u) BSCH represents the aggregate Total Assets Under Management and Total Net Return of BSCH I and BSCH II funds that invest as part of the GP Stakes strategy, which targets minority investments in the general partners of private equity and other private-market alternative asset management firms globally. Including co-investment vehicles that do not pay fees, BSCH Total Assets Under Management is $11.1 billion.

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 March 31,		2023 vs. 2022	
	2023	2022	$	%
	(Dollars in Thousands)			
Management Fees, Net				
Base Management Fees	$ 705,387	$ 580,186	$ 125,201	22%
Transaction and Other Fees, Net	20,561	40,485	(19,924)	-49%
Management Fee Offsets	(10,457)	(960)	(9,497)	989%
Total Management Fees, Net	715,491	619,711	95,780	15%
Fee Related Performance Revenues	20,748	491,517	(470,769)	-96%
Fee Related Compensation	(137,610)	(344,842)	207,232	-60%
Other Operating Expenses	(74,181)	(66,003)	(8,178)	12%
Fee Related Earnings	524,448	700,383	(175,935)	-25%
Realized Performance Revenues	11,096	802,916	(791,820)	-99%
Realized Performance Compensation	(3,165)	(290,031)	286,866	-99%
Realized Principal Investment Income	2,224	53,975	(51,751)	-96%
Net Realizations	10,155	566,860	(556,705)	-98%
Segment Distributable Earnings	$ 534,603	$ 1,267,243	$ (732,640)	-58%

n/m Not meaningful.

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Segment Distributable Earnings were $534.6 million for the three months ended March 31, 2023, a decrease of $732.6 million, compared to $1.3 billion for the three months ended March 31, 2022. The decrease in Segment Distributable Earnings was primarily attributable to decreases of $175.9 million in Fee Related Earnings and $556.7 million in Net Realizations.

Over eighty percent of the aggregate net asset value of our global opportunistic and core+ real estate vehicles is concentrated in logistics, rental housing, hotels, life science office and data centers. These sectors continue to demonstrate strong cash flow growth, with the majority experiencing low vacancies driven by sustained robust demand and muted supply. Notwithstanding the strength of sectors, the real estate market has been characterized by divergent performance across sectors. Weakening fundamentals persist in the office sector and traditional U.S. office buildings remain particularly challenged. Traditional U.S. office represents only approximately 2% of the aggregate net asset value of our global opportunistic and core+ real estate portfolios. Although inflation is moderating, continued capital market volatility and economic uncertainty have contributed to reduced realization and deployment activity. These market conditions and capital constraints, coupled with the potential for a more constrained financing market in light of recent events in the banking sector, are likely to result in muted realizations for a period of time, which would negatively impact Segment Distributable Earnings in our Real Estate segment. Although these conditions have made deployment more challenging, we believe our real estate funds are well positioned to take advantage of deployment opportunities during periods of heightened dislocation.

Fundraising in the first quarter of 2023 remained positive despite a challenging market backdrop. Perpetual capital strategies, including BREIT, represent an increasing percentage of Total Assets Under Management in our Real Estate segment. Market volatility drove a material increase in BREIT repurchase requests beginning in late 2022, and pursuant to the terms of the vehicle, BREIT began to prorate such requests beginning in November 2022. Concurrently, BREIT inflows were materially reduced after proration was announced which led to net outflows in BREIT in the first quarter, excluding the $4.5 billion subscription by UC Investments. Although repurchase requests in March and April were modestly down from their peak in January 2023, a continuation or worsening of the current environment could further adversely affect net flows in certain perpetual capital strategies for an extended period of time. We believe the long-term growth trajectory remains positive and that strong investment performance and investor under-allocation to such strategies should drive flows over the long-term. See "Part I. Item 1A. Risk Factors — Risks Related to our Business — We have increasingly undertaken business initiatives to increase the number and type of investment products we offer to individual investors, which could expose us to new and greater levels of risk" in our Annual Report on Form 10-K for the year ended December 31, 2022.

Fee Related Earnings

Fee Related Earnings were $524.4 million for the three months ended March 31, 2023, a decrease of $175.9 million, compared to $700.4 million for the three months ended March 31, 2022. The decrease in Fee Related Earnings was attributable to a decrease of $470.8 million in Fee Related Performance Revenues and an increase of $8.2 million in Other Operating Expenses, partially offset by a decrease of $207.2 million in Fee Related Compensation and an increase of $95.8 million in Management Fees, Net.

Fee Related Performance Revenues were $20.7 million for the three months ended March 31, 2023, a decrease of $470.8 million, compared to $491.5 million for the three months ended March 31, 2022. The decrease was primarily due to lower Fee Related Performance Revenues in BREIT.

Other Operating Expenses were $74.2 million for three months ended March 31, 2023, an increase of $8.2 million, compared to $66.0 million for three months ended March 31, 2022. The increase was primarily due to travel and entertainment and occupancy costs.

Fee Related Compensation was $137.6 million for the three months ended March 31, 2023, a decrease of $207.2 million, compared to $344.8 million for the three months ended March 31, 2022. The decrease was primarily due to a decrease in Fee Related Performance Revenues, partially offset by an increase in Management Fees, Net, both of which impact Fee Related Compensation.

Management Fees, Net were $715.5 million for the three months ended March 31, 2023, an increase of $95.8 million, compared to $619.7 million for the three months ended March 31, 2022, primarily driven by an increase in Base Management Fees, partially offset by a decrease in Transaction and Other Fees, Net. Base Management Fees increased $125.2 million primarily due to Fee-Earning Assets Under Management growth in BREP, Core+ real estate and BREDS. Transaction and Other Fees, Net decreased $19.9 million primarily due to a decrease in acquisition fees.

Net Realizations

Net Realizations were $10.2 million for the three months ended March 31, 2023, a decrease of $556.7 million, compared to $566.9 million for the three months ended March 31, 2022. The decrease in Net Realizations was primarily attributable to decreases of $791.8 million in Realized Performance Revenues and $51.8 million in Realized Principal Investment Income, partially offset by a decrease of $286.9 million in Realized Performance Compensation.

Realized Performance Revenues were $11.1 million for the three months ended March 31, 2023, a decrease of $791.8 million, compared to $802.9 million for the three months ended March 31, 2022. The decrease was primarily due to lower Realized Performance Revenues in BREP.

Realized Principal Investment Income was $2.2 million for the three months ended March 31, 2023, a decrease of $51.8 million, compared to $54.0 million for the three months ended March 31, 2022. The decrease was primarily due to the segment's allocation of the gain recognized in a Pátria Investments Limited and Pátria Investimentos Ltda. (collectively, "Pátria") sale transaction in the first quarter of 2022.

Realized Performance Compensation was $3.2 million for the three months ended March 31, 2023, a decrease of $286.9 million, compared to $290.0 million for the three months ended March 31, 2022. The decrease was primarily due to the decrease 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 March 31,				March 31, 2023 Inception to Date			
	2023		2022		Realized		Total	
Fund (a)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
BREP VII	-27%	-23%	7%	6%	30%	22%	21%	15%
BREP VIII	-6%	-6%	13%	11%	36%	28%	22%	16%
BREP IX	1%	-	18%	15%	95%	65%	37%	27%
BREP Europe IV (b)	-13%	-12%	3%	2%	27%	19%	19%	13%
BREP Europe V (b)	-8%	-8%	5%	4%	51%	42%	16%	11%
BREP Europe VI (b)	15%	10%	8%	7%	97%	71%	32%	20%
BREP Asia I	-3%	-4%	3%	2%	27%	20%	18%	12%
BREP Asia II	-1%	5%	4%	3%	51%	35%	13%	8%
BREP Co-Investment (c)	3%	2%	22%	22%	18%	16%	18%	16%
BPP (d)	-3%	-3%	10%	9%	n/a	n/a	11%	9%
BREIT (e)	n/a	-1%	n/a	5%	n/a	n/a	n/a	11%
BREIT - Class I (f)	n/a	-1%	n/a	5%	n/a	n/a	n/a	12%
BREDS High-Yield (g)	1%	-	1%	-	15%	10%	13%	9%
BXMT (h)	n/a	-13%	n/a	6%	n/a	n/a	n/a	5%

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.

(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) The BPP platform, which comprises over 30 funds, co-investment and separately managed account vehicles, 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) Represents the Total Net Return for BREIT's Class I shares, its largest share class. Performance varies by share class. Class I Total Net Return assumes reinvestment of all dividends received during the period, and no upfront selling commission, net of all fees and expenses incurred by BREIT. Inception to date return is from January 1, 2017.
(g) BREDS High-Yield represents the flagship real estate debt drawdown funds only. Inception to date returns are from July 1, 2009.
(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 as of March 31, 2023

The Real Estate segment has twelve funds with closed investment periods as of March 31, 2023: BREP IX, BREP VIII, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe V, BREP Europe IV, BREP Europe III, BREP Asia II, BREP Asia I and BREDS III. As of March 31, 2023, BREP VII, BREP VI, BREP V, BREP IV, BREP Europe IV and BREP Europe III were above their carried interest thresholds (i.e., the preferred return payable to its limited partners before the general partner is eligible to receive carried interest) and would have been above their carried interest thresholds even if all remaining investments were valued at zero. BREP IX, BREP VIII, BREP Europe V, BREP Asia II, BREP Asia I and BREDS III were above their carried interest thresholds. Funds are considered above their carried interest thresholds based on the aggregate fund position, although individual limited partners may be below their respective carried interest thresholds in certain funds.

Private Equity

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

	Three Months Ended March 31,		2023 vs. 2022	
	2023	2022	$	%
	(Dollars in Thousands)			
Management and Advisory Fees, Net				
Base Management Fees	$ 451,610	$ 421,472	$ 30,138	7%
Transaction, Advisory and Other Fees, Net	14,784	12,658	2,126	17%
Management Fee Offsets	(1,310)	(27,142)	25,832	-95%
Total Management and Advisory Fees, Net	465,084	406,988	58,096	14%
Fee Related Performance Revenues	-	(648)	648	-100%
Fee Related Compensation	(161,626)	(151,050)	(10,576)	7%
Other Operating Expenses	(76,763)	(67,744)	(9,019)	13%
Fee Related Earnings	226,695	187,546	39,149	21%
Realized Performance Revenues	499,322	450,238	49,084	11%
Realized Performance Compensation	(232,934)	(206,703)	(26,231)	13%
Realized Principal Investment Income	32,889	65,438	(32,549)	-50%
Net Realizations	299,277	308,973	(9,696)	-3%
Segment Distributable Earnings	$ 525,972	$ 496,519	$ 29,453	6%

n/m Not meaningful.

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Segment Distributable Earnings were $526.0 million for the three months ended March 31, 2023, an increase of $29.5 million, compared to $496.5 million for the three months ended March 31, 2022. The increase in Segment Distributable Earnings was attributable to an increase of $39.1 million in Fee Related Earnings, partially offset by a decrease of $9.7 million in Net Realizations.

The corporate private equity portfolio has, to a meaningful extent, been able to navigate the impact of inflationary pressures by focusing on investments in companies that are less impacted by rising input costs or that benefit from strong revenue growth and pricing power. As a result, overall margins in the private equity portfolio have demonstrated resilience, although wage inflation continues to put some pressure on profits margins of certain private equity portfolio companies, particularly in labor intensive businesses. With respect to realizations and deployment, continuing capital market volatility and economic uncertainty have contributed to reduced activity. Current market and economic conditions, coupled with the potential for a more constrained financing market in light of recent events in the banking sector, are likely to continue to result in muted realizations and deployment until such conditions improve. This would negatively impact Segment Distributable Earnings in our Private Equity segment. Challenging market conditions have pressured investors' ability to allocate to private equity strategies and contributed to an already difficult fundraising environment. Despite these near-term headwinds and a slower pace of fundraising, our institutional fundraising has remained positive and we have advanced considerably on flagship fundraising in our Private Equity segment.

In energy, the values of certain energy investments fluctuated as a result of volatility in oil and gas prices in the first quarter of 2023. Beyond any short term conditions, increased scrutiny from regulators, investors and other market participants on the climate impact of oil and gas energy investments has weakened long-term growth prospects for traditional energy. The persistence of these weakened market fundamentals could negatively impact the performance of certain investments in our energy and corporate private equity funds.

Fee Related Earnings

Fee Related Earnings were $226.7 million for the three months ended March 31, 2023, an increase of $39.1 million, or 21%, compared to $187.5 million for the three months ended March 31, 2022. The increase in Fee Related Earnings was primarily attributable to an increase of $58.1 million in Management and Advisory Fees, Net, partially offset by increases of $10.6 million in Fee Related Compensation and $9.0 million in Other Operating Expenses.

Management and Advisory Fees, Net were $465.1 million for the three months ended March 31, 2023, an increase of $58.1 million, compared to $407.0 million for the three months ended March 31, 2022, primarily driven by an increase in Base Management Fees and a decrease in Management Fee Offsets. Base Management Fees increased $30.1 million primarily due to (a) additional commitments from limited partners to Strategic Partners IX and Strategic Partners GP Solutions and the commencement of Strategic Partners Real Estate VIII's investment period in the second quarter of 2022, and (b) Fee-Earning Assets Under Management Growth in BIP. Management Fee Offsets decreased $25.8 million primarily due to a reduction from Strategic Partners IX.

Fee Related Compensation was $161.6 million for the three months ended March 31, 2023, an increase of $10.6 million, compared to $151.1 million for the three months ended March 31, 2022. The increase was primarily due to an increase in Base Management Fees, on which a portion of Fee Related Compensation is based.

Other Operating Expenses were $76.8 million for the three months ended March 31, 2023, an increase of $9.0 million, compared to $67.7 million for the three months ended March 31, 2022. The increase was primarily due to travel and entertainment and occupancy costs.

Net Realizations

Net Realizations were $299.3 million for the three months ended March 31, 2023, a decrease of $9.7 million, compared to $309.0 million for the three months ended March 31, 2022. The decrease in Net Realizations was primarily attributable to a decrease of $32.5 million in Realized Principal Investment Income and an increase of $26.2 million in Realized Performance Compensation, partially offset by an increase of $49.1 million in Realized Performance Revenues.

Realized Principal Investment Income was $32.9 million for the three months ended March 31, 2023, a decrease of $32.5 million, compared to $65.4 million for the three months ended March 31, 2022. The decrease was primarily due to the segment's allocation of the gain recognized in a Pátria sale transaction in the first quarter of 2022.

Realized Performance Compensation was $232.9 million for the three months ended March 31, 2023, an increase of $26.2 million, compared to $206.7 million for the three months ended March 31, 2022. The increase was primarily due to an increase in Realized Performance Revenues.

Realized Performance Revenues were $499.3 million for the three months ended March 31, 2023, an increase of $49.1 million, compared to $450.2 million for the three months ended March 31, 2022. The increase was primarily due to higher Realized Performance Revenues in corporate private equity and Tactical Opportunities, partially offset by lower Realized Performance Revenues in Strategic Partners.

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 March 31,				March 31, 2023 Inception to Date			
	2023		2022		Realized		Total	
Fund (a)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
BCP VI	2%	1%	3%	3%	20%	15%	17%	13%
BCP VII	5%	4%	1%	-	42%	33%	20%	14%
BCP VIII	2%	1%	4%	3%	n/m	n/m	27%	14%
BEP I	-15%	-13%	24%	19%	18%	14%	15%	11%
BEP II	1%	1%	17%	16%	13%	9%	12%	8%
BEP III	9%	7%	10%	7%	95%	60%	66%	43%
BCP Asia I	-3%	-3%	-9%	-9%	131%	93%	42%	29%
BCEP I (b)	1%	1%	4%	4%	61%	55%	23%	20%
BCEP II (b)	6%	4%	2%	1%	n/a	n/a	16%	10%
Tactical Opportunities	2%	2%	2%	2%	21%	17%	15%	11%
Tactical Opportunities Co-Investment and Other	3%	4%	1%	3%	19%	18%	20%	17%
BXG I	-	-1%	-6%	-5%	n/m	n/m	5%	-1%
Strategic Partners VI (c)	-2%	-2%	5%	5%	n/a	n/a	18%	14%
Strategic Partners VII (c)	1%	1%	4%	4%	n/a	n/a	23%	19%
Strategic Partners Real Assets II (c)	1%	-	3%	2%	n/a	n/a	18%	14%
Strategic Partners VIII (c)	2%	1%	7%	5%	n/a	n/a	44%	35%
Strategic Partners Real Estate, SMA and Other (c)	2%	1%	11%	10%	n/a	n/a	20%	19%
Strategic Partners Infrastructure III (c)	1%	-1%	17%	6%	n/a	n/a	53%	31%
Strategic Partners IX (c)	3%	-	n/m	n/m	n/a	n/a	36%	21%
BIP	-3%	-2%	15%	12%	n/a	n/a	20%	15%
Clarus IV	7%	6%	-	-1%	30%	21%	22%	13%
BXLS V	6%	4%	-4%	-6%	n/m	n/m	18%	5%

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.

Funds With Closed Investment Periods as of March 31, 2023

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 I. As of March 31, 2023, 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, 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, BEP II, BCEP I and BCP Asia were above their respective carried interest thresholds. Funds are considered above their carried interest thresholds based on the aggregate fund position, although individual limited partners may be below their respective carried interest thresholds in certain funds. 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.

The Tactical Opportunities funds within the Private Equity segment have various funds with closed investment periods, including but not limited to: BTOF-POOL, BTOF-POOL II, and BTOF-POOL III, which are each above their carried interest thresholds based on aggregate fund position. Strategic Partners funds within the Private Equity segment have various funds with closed investment periods, including but not limited to: SP VIII, SP VII RE, and SP RA II, which are above their respective carried interest thresholds based on aggregate fund position. Certain Strategic Partner funds with closed investment periods do not generate carried interest for Blackstone as agreed to at the time the Strategic Partners business was acquired. The Blackstone Life Sciences funds within the Private Equity segment has one fund with a closed investment period: Clarus IV, which was above its carried interest threshold.

Credit & Insurance

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

	Three Months Ended March 31,		2023 vs. 2022	
	2023	2022	$	%
	(Dollars in Thousands)			
Management Fees, Net				
Base Management Fees	$ 326,779	$ 292,445	$ 34,334	12%
Transaction and Other Fees, Net	8,451	9,397	(946)	-10%
Management Fee Offsets	(1,101)	(1,619)	518	-32%
Total Management Fees, Net	334,129	300,223	33,906	11%
Fee Related Performance Revenues	127,496	67,196	60,300	90%
Fee Related Compensation	(163,999)	(127,344)	(36,655)	29%
Other Operating Expenses	(74,238)	(57,167)	(17,071)	30%
Fee Related Earnings	223,388	182,908	40,480	22%
Realized Performance Revenues	125,181	30,743	94,438	307%
Realized Performance Compensation	(56,772)	(13,386)	(43,386)	324%
Realized Principal Investment Income	6,009	22,781	(16,772)	-74%
Net Realizations	74,418	40,138	34,280	85%
Segment Distributable Earnings	$ 297,806	$ 223,046	$ 74,760	34%

n/m Not meaningful.

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Segment Distributable Earnings were $297.8 million for the three months ended March 31, 2023, an increase of $74.8 million, or 34%, compared to $223.0 million for the three months ended March 31, 2022. The increase in Segment Distributable Earnings was attributable to increases of $40.5 million in Fee Related Earnings and $34.3 million in Net Realizations.

Despite market volatility amid challenges in the banking sector, sustained high interest rates and solid underlying company performance have continued to favorably impact returns in our private credit strategies. The performance of our credit funds has generally benefited from the high interest rate environment as a substantial majority of the portfolio is floating rate, although a higher cost of capital as a result of higher interest rates has the potential to negatively impact the free cash flow and credit quality of certain borrowers. Heightened energy prices and wage costs continue to put some profit margin pressures on certain of our Credit & Insurance segment investments even as overall inflation is moderating. Recent challenges in the banking sector may contribute to a more constrained financing market, which may create meaningful deployment opportunities for our private credit strategies as borrowers seek alternative financing sources. Nonetheless, significant market dislocation, particularly in the banking sector, could limit the liquidity of certain assets traded in the credit markets, and this would impact our funds' ability to sell such assets at attractive prices or in a timely manner.

Perpetual capital strategies, including BCRED, represent an increasing percentage of Total Assets Under Management in our Credit & Insurance segment. Beginning in late 2022, market volatility drove a material increase in BCRED repurchase requests and a material decrease in inflows. While this led to minimal net flows in BCRED in the first quarter, inflows began showing signs of improving beginning late in the first quarter, with April inflows representing the highest month since October 2022 in six months. Nevertheless, a continuation or worsening of the current environment would again adversely affect our net flows. However, we believe the long-term growth trajectory remains positive and that strong investment performance and investor under-allocation to such private wealth strategies should drive flows over the long-term. See "Item 1A. Risk Factors — Risks Related to Our Business —We have increasingly undertaken business initiatives to increase the number and type of investment products we offer to individual investors, which could expose us to new and greater levels of risk" in our Annual Report on Form 10-K for the year ended December 31, 2022.

Fee Related Earnings

Fee Related Earnings were $223.4 million for the three months ended March 31, 2023, an increase of $40.5 million, or 22%, compared to $182.9 million for the three months ended March 31, 2022. The increase in Fee Related Earnings was primarily attributable to increases of $60.3 million in Fee Related Performance Revenues and $33.9 million in Management Fees, Net, partially offset by increases of $36.7 million in Fee Related Compensation and $17.1 million in Other Operating Expenses.

Fee Related Performance Revenues were $127.5 million for the three months ended March 31, 2023, an increase of $60.3 million, compared to $67.2 million for the three months ended March 31, 2022. The increase was primarily due to performance and an increase in subscriptions in BCRED.

Management Fees, Net were $334.1 million for the three months ended March 31, 2023, an increase of $33.9 million, compared to $300.2 million for the three months ended March 31, 2022, primarily driven by an increase in Base Management Fees. Base Management Fees increased $34.3 million primarily due to inflows from Fee-Earning Assets Under Management in BCRED and BIS.

Fee Related Compensation was $164.0 million for the three months ended March 31, 2023, an increase of $36.7 million, compared to $127.3 million for the three months ended March 31, 2022. The increase was primarily due to increases in Management Fees, Net and Fee Related Performance Revenues, both of which impact Fee Related Compensation.

Other Operating Expenses were $74.2 million for the three months ended March 31, 2023, an increase of $17.1 million, compared to $57.2 million for the three months ended March 31, 2022. The increase was primarily due to technology-related expenses, as well as travel and entertainment and occupancy costs.

Net Realizations

Net Realizations were $74.4 million for the three months ended March 31, 2023, an increase of $34.3 million, or 85%, compared to $40.1 million for the three months ended March 31, 2022. The increase in Net Realizations was primarily attributable to an increase of $94.4 million in Realized Performance Revenues, partially offset by an increase of $43.4 million in Realized Performance Compensation and a decrease of $16.8 million in Realized Principal Investment Income.

Realized Performance Revenues were $125.2 million for the three months ended March 31, 2023, an increase of $94.4 million, compared to $30.7 million for the three months ended March 31, 2022. The increase was primarily attributable to higher realized performance revenues in our energy and mezzanine funds.

Realized Performance Compensation was $56.8 million for the three months ended March 31, 2023, an increase of $43.4 million, compared to $13.4 million for the three months ended March 31, 2022. The increase was primarily due to the increase in Realized Performance Revenues.

Realized Principal Investment Income was $6.0 million for the three months ended March 31, 2023, a decrease of $16.8 million, compared to $22.8 million for the three months ended March 31, 2022. The decrease was primarily due to the segment's allocation of the gain recognized in a Pátria sale transaction in the first quarter of 2022.

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 March 31,				March 31, 2023	
	2023		2022		Inception to Date	
Composite (a)	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Private Credit (b)	3%	3%	2%	1%	11%	7%
Liquid Credit (b)	3%	3%	-1%	-1%	5%	4%

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) Private Credit returns include mezzanine lending funds and middle market direct lending funds (including BXSL and BCRED), 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 asset-based finance funds 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.

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 March 31,		As of March 31,	
	2023	2022	2023	2022
	(Dollars in Thousands)			
Credit & Insurance (b)	$ 85,672,809	$ 71,336,513	93%	93%

(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 March 31, 2023, the incremental appreciation needed for the 7% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles to reach their respective High Water Marks/Hurdles was $1.9 billion, an increase of $61.0 million, compared to $1.8 billion at March 31, 2022. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Hurdles as of March 31, 2023, 51% were within 5% of reaching their respective High Water Mark.

Hedge Fund Solutions

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

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	2023 vs. 2022 $	2023 vs. 2022 %
	(Dollars in Thousands)			
Management Fees, Net				
Base Management Fees	$ 135,771	$ 145,046	$ (9,275)	-6%
Transaction and Other Fees, Net	1,914	1,469	445	30%
Management Fee Offsets	(2)	(69)	67	-97%
Total Management Fees, Net	137,683	146,446	(8,763)	-6%
Fee Related Compensation	(45,736)	(47,235)	1,499	-3%
Other Operating Expenses	(26,466)	(23,184)	(3,282)	14%
Fee Related Earnings	65,481	76,027	(10,546)	-14%
Realized Performance Revenues	5,927	28,913	(22,986)	-80%
Realized Performance Compensation	(3,153)	(9,000)	5,847	-65%
Realized Principal Investment Income	2,569	14,901	(12,332)	-83%
Net Realizations	5,343	34,814	(29,471)	-85%
Segment Distributable Earnings	$ 70,824	$ 110,841	$ (40,017)	-36%

n/m Not meaningful.

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Segment Distributable Earnings were $70.8 million for the three months ended March 31, 2023, a decrease of $40.0 million, compared to $110.8 million for the three months ended March 31, 2022. The decrease in Segment Distributable Earnings was attributable to decreases of $10.5 million in Fee Related Earnings and $29.5 million in Net Realizations.

Strategies across our Hedge Fund Solutions segment navigated a volatile quarter for markets to generally outperform the broader market with significantly less volatility. The performance of some of the underlying managers in our Hedge Fund Solutions segment, however, was adversely impacted by the challenging market environment. Segment Distributable Earnings in the Hedge Fund Solutions segment would likely be negatively impacted by a significant or sustained weak market environment or decline in asset prices, including as a result of concerns over macroeconomic and geopolitical factors. In addition, while certain of our strategies are designed to benefit from a high interest rate environment, in an environment concurrently characterized by high interest rates and weak equity markets, it may be difficult for funds in certain strategies to exceed interest rate-based performance hurdles to which such funds are subject. This would negatively impact our Segment Distributable Earnings.

Outperformance relative to the broader market by strategies in our Hedge Fund Solutions segment, particularly during times of meaningful equity market volatility, could contribute to increased flows in the segment. Despite significant recent volatility, however, overall in recent years markets have experienced relatively low volatility, which has at times resulted in certain investors reallocating capital away from traditional hedge fund strategies. To the extent markets experience a prolonged period of low volatility and outperform our hedge fund strategies, investors may seek to reallocate capital away from traditional hedge fund strategies, which could negatively impact net flows in our Hedge Fund Solutions segment. Conversely, outperformance by our Hedge Fund Solutions strategies in a weak market environment has in some cases resulted in such strategies representing an increasing portion of the value of certain investors' portfolios, which may limit such investors' ability to allocate additional capital to certain funds in the segment, or result in such investors seeking to withdraw capital from such funds. The 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.

Fee Related Earnings

Fee Related Earnings were $65.5 million for the three months ended March 31, 2023, a decrease of $10.5 million, compared to $76.0 million for the three months ended March 31, 2022. The decrease in Fee Related Earnings was primarily attributable to a decrease of $8.8 million in Management Fees, Net and an increase of $3.3 million in Other Operating Expenses.

Management Fees, Net were $137.7 million for the three months ended March 31, 2023, a decrease of $8.8 million, compared to $146.4 million for the three months ended March 31, 2022, primarily driven by a decrease in Base Management Fees. Base Management Fees decreased $9.3 million primarily due to a decrease in Fee-Earning Assets Under Management in commingled products.

Other Operating Expenses were $26.5 million for the three months ended March 31, 2023, an increase of $3.3 million, compared to $23.2 million for the three months ended March 31, 2022. The increase was primarily due to technology-related expenses, travel and entertainment and occupancy costs.

Net Realizations

Net Realizations were $5.3 million for the three months ended March 31, 2023, a decrease of $29.5 million, compared to $34.8 million for the three months ended March 31, 2022. The decrease in Net Realizations was primarily attributable to decreases of $23.0 million in Realized Performance Revenues and $12.3 million in Realized Principal Investment Income, partially offset by a decrease of $5.8 million in Realized Performance Compensation.

Realized Performance Revenues were $5.9 million for the three months ended March 31, 2023, a decrease of $23.0 million, compared to $28.9 million for the three months ended March 31, 2022. The decrease was primarily driven by reduced Realized Performance Revenues in liquid and specialized solutions and in customized solutions.

Realized Principal Investment Income was $2.6 million for the three months ended March 31, 2023, a decrease of $12.3 million, compared to $14.9 million for the three months ended March 31, 2022. The decrease was primarily due to the segment's allocation of the gain recognized in a Pátria sale transaction in the first quarter of 2022.

Realized Performance Compensation was $3.2 million for the three months ended March 31, 2023, a decrease of $5.8 million, compared to $9.0 million for the three months ended March 31, 2022. The decrease was primarily due to the decrease 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 March 31,				Average Annual Returns (a) Periods Ended March 31, 2023							
	2023		2022		One Year		Three Year		Five Year		Historical	
Composite	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
BAAM Principal Solutions Composite (b)	1%	1%	1%	1%	5%	4%	10%	9%	6%	5%	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 As of March 31,		Estimated % Above High Water Mark/ Benchmark (a) As of March 31,	
	2023	2022	2023	2022
	(Dollars in Thousands)			
Hedge Fund Solutions Managed Funds (b)	$ 51,134,869	$ 50,175,772	82%	77%

(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 March 31, 2023, the incremental appreciation needed for the 18% of Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks to reach their respective High Water Marks/Benchmarks was $642.4 million, an increase of $140.0 million, compared to $502.4 million at March 31, 2022. Of the Invested Performance Eligible Assets Under Management below their respective High Water Marks/Benchmarks as of March 31, 2023, 60% 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 March 31,	
	2023	2022
	(Dollars in Thousands)	
Net Income Attributable to Blackstone Inc.	$ 85,812	$ 1,216,874
Net Income Attributable to Non-Controlling Interests in Blackstone Holdings	56,700	1,059,313
Net Income Attributable to Non-Controlling Interests in Consolidated Entities	74,869	216,375
Net Income (Loss) Attributable to Redeemable Non-Controlling Interests in Consolidated Entities	(6,700)	5,052
Net Income	210,681	2,497,614
Provision for Taxes	47,675	483,281
Net Income Before Provision for Taxes	258,356	2,980,895
Transaction-Related Charges (a)	8,621	25,333
Amortization of Intangibles (b)	11,341	17,044
Impact of Consolidation (c)	(68,169)	(221,427)
Unrealized Performance Revenues (d)	759,316	(1,293,050)
Unrealized Performance Allocations Compensation (e)	(313,249)	472,284
Unrealized Principal Investment (Income) Loss (f)	479,120	(26,758)
Other Revenues (g)	14,180	(72,819)
Equity-Based Compensation (h)	268,134	201,545
Administrative Fee Adjustment (i)	2,447	2,485
Taxes and Related Payables (j)	(171,005)	(147,652)
Distributable Earnings	1,249,092	1,937,880
Taxes and Related Payables (j)	171,005	147,652
Net Interest and Dividend Loss (k)	9,108	12,117
Total Segment Distributable Earnings	1,429,205	2,097,649
Realized Performance Revenues (l)	(641,526)	(1,312,810)
Realized Performance Compensation (m)	296,024	519,120
Realized Principal Investment Income (n)	(43,691)	(157,095)
Fee Related Earnings	$ 1,040,012	$ 1,146,864
Adjusted EBITDA Reconciliation		
Distributable Earnings	$ 1,249,092	$ 1,937,880
Interest Expense (o)	104,209	66,602
Taxes and Related Payables (j)	171,005	147,652
Depreciation and Amortization (p)	23,175	14,316
Adjusted EBITDA	$ 1,547,481	$ 2,166,450

(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.

(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 March 31,	
	2023	**2022**
	(Dollars in Thousands)	
GAAP Unrealized Performance Allocations	$ (759,212)	$ 1,293,050
Segment Adjustment	(104)	—
Unrealized Performance Revenues	$ (759,316)	$ 1,293,050

(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 March 31,	
	2023	**2022**
	(Dollars in Thousands)	
GAAP Unrealized Principal Investment Income (Loss)	$ (491,417)	$ 73,961
Segment Adjustment	12,297	(47,203)
Unrealized Principal Investment Income (Loss)	$ (479,120)	$ 26,758

(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 March 31,	
	2023	**2022**
	(Dollars in Thousands)	
GAAP Other Revenue	$ (14,154)	$ 72,869
Segment Adjustment	(26)	(50)
Other Revenues	$ (14,180)	$ 72,819

(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. For interim periods, taxes are calculated using the preferred annualized effective tax rate approach. 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 March 31,	
	2023	2022
	(Dollars in Thousands)	
Taxes	$ 151,002	$ 124,645
Related Payables	20,003	23,007
Taxes and Related Payables	$ 171,005	$ 147,652

(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 March 31,	
	2023	2022
	(Dollars in Thousands)	
GAAP Interest and Dividend Revenue	$ 90,485	$ 54,485
Segment Adjustment	4,616	—
Interest and Dividend Revenue	95,101	54,485
GAAP Interest Expense	104,441	66,747
Segment Adjustment	(232)	(145)
Interest Expense	104,209	66,602
Net Interest and Dividend Loss	$ (9,108)	$ (12,117)

(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:

	March 31,	
	2023	2022
	(Dollars in Thousands)	
Investments of Consolidated Blackstone Funds	$ 5,443,867	$ 2,045,156
Equity Method Investments		
Partnership Investments	5,598,552	5,858,926
Accrued Performance Allocations	11,517,750	17,661,244
Corporate Treasury Investments	958,632	916,510
Other Investments	3,467,150	3,586,638
Total GAAP Investments	$ 26,985,951	$ 30,068,474
Accrued Performance Allocations - GAAP	$ 11,517,750	$ 17,661,244
Impact of Consolidation (a)	—	1
Due from Affiliates - GAAP (b)	190,337	112,194
Less: Net Realized Performance Revenues (c)	(379,453)	(743,772)
Less: Accrued Performance Compensation - GAAP (d)	(4,956,515)	(7,483,337)
Net Accrued Performance Revenues	$ 6,372,119	$ 9,546,330

(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 stockholders and distributions to holders of Holdings Units.

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. The majority economic ownership interests of such consolidated Blackstone Funds are reflected as Redeemable Non-Controlling Interests in Consolidated Entities, and Non-Controlling Interests in Consolidated Entities in the Consolidated Financial Statements. The consolidation of these Blackstone Funds has no net effect on Blackstone's Net Income or Equity. Additionally, fluctuations in our statement of financial condition also include appreciation or depreciation in Blackstone investments in the non-consolidated Blackstone Funds, additional investments and redemptions of such interests in the non-consolidated Blackstone Funds and the collection of receivables related to management and advisory fees.

Total Assets were $41.1 billion as of March 31, 2023, a decrease of $1.4 billion, from December 31, 2022. The decrease in Total Assets was principally due to a decrease of $1.8 billion in total assets attributable to consolidated operating partnerships, partially offset by an increase of $255.9 million in total assets attributable to consolidated Blackstone Funds. The decrease in total assets attributable to consolidated operating partnerships was primarily due to decreases of $1.4 billion in Cash and Cash Equivalents and $965.2 million in Investments, respectively. The decrease in Cash and Cash Equivalents was primarily due to ongoing operating activities including the payoff at maturity of Blackstone's 4.750% senior note due February 15, 2023. The decrease in Investments was primarily due to unrealized depreciation across our Real Estate and Credit & Insurance segments. The increase in total assets attributable to consolidated Blackstone Funds was primarily due to an increase of $307.3 million in Investments. The increase in Investments was primarily due to the consolidation of one CLO.

Total Liabilities were $22.4 billion as of March 31, 2023, a decrease of $470.5 million, from December 31, 2022. The decrease in Total Liabilities was principally due to a decrease of $866.9 million in total liabilities attributable to consolidated operating partnerships, partially offset by an increase of $405.3 million in total liabilities attributable to consolidated Blackstone Funds. The decrease in total liabilities attributable to consolidated operating partnerships was primarily due to decreases of $631.0 million in Accrued Compensation and Benefits and $330.6 million in Loans Payable. The decrease in Accrued Compensation and Benefits was primarily due to a decrease in performance compensation. The decrease in Loans Payable was primarily due to the payoff at maturity of senior notes, partially offset by the consolidation of one Blackstone operating partnership. The increase in total liabilities attributable to consolidated Blackstone Funds was primarily due to an increase of $292.5 million in Loans Payable. The increase in Loans Payable was primarily due to the consolidation of one CLO.

In light of the disruption to the U.S. regional banking system during the three months ended March 31, 2023, Blackstone assessed its exposure and determined that it had no material exposure to such banks. Blackstone has taken mitigating actions to reduce the limited and isolated areas of exposure identified and continues to monitor 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 $4.135 billion committed revolving credit facility. As of March 31, 2023, Blackstone had $2.8 billion in Cash and Cash Equivalents, $958.6 million invested in Corporate Treasury Investments and $3.5 billion in Other Investments (which included $3.1 billion of liquid investments), against $10.7 billion in borrowings from our bond issuances, and no borrowings outstanding under our revolving credit facility.

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 Revenue 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 for business expansion, (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 stockholders and distributions to the holders of Blackstone Holdings Partnership Units. For a tabular presentation of Blackstone's contractual obligations and the expected timing of such see "— Contractual Obligations."

Capital Commitments

Our own capital commitments to our funds, the funds we invest in and our investment strategies as of March 31, 2023 consisted of the following:

Fund	Blackstone and General Partner (a)		Senior Managing Directors and Certain Other Professionals (b)	
	Original Commitment	Remaining Commitment	Original Commitment	Remaining Commitment
	(Dollars in Thousands)			
Real Estate				
BREP VI	$ 750,000	$ 36,809	$ 150,000	$ 12,270
BREP VII	300,000	32,685	100,000	10,895
BREP VIII	300,000	41,512	100,000	13,837
BREP IX	300,000	54,572	100,000	18,191
BREP X	300,000	292,172	100,000	97,391
BREP Europe III	100,000	11,257	35,000	3,752
BREP Europe IV	130,000	24,074	43,333	8,025
BREP Europe V	150,000	25,647	43,333	7,409
BREP Europe VI	130,000	69,553	43,333	23,184
BREP Asia I	50,392	10,342	16,797	3,447
BREP Asia II	70,707	14,711	23,569	4,904
BREP Asia III	81,078	70,287	27,026	23,428
BREDS III	50,000	13,499	16,667	4,500
BREDS IV	50,000	19,586	49,113	19,239
BREDS V	50,000	50,000	49,660	49,660
BPP	314,554	35,893	—	—
Other (c)	27,096	9,082	—	—
Total Real Estate	3,153,827	811,681	897,831	300,132

continued...

Fund	Blackstone and General Partner (a) Original Commitment	Blackstone and General Partner (a) Remaining Commitment	Senior Managing Directors and Certain Other Professionals (b) Original Commitment	Senior Managing Directors and Certain Other Professionals (b) Remaining Commitment
	(Dollars in Thousands)			
Private Equity				
BCP V	$ 629,356	$ 30,642	$ —	$ —
BCP VI	719,718	81,403	250,000	28,276
BCP VII	500,000	36,635	225,000	16,486
BCP VIII	500,000	250,690	225,000	112,811
BCP IX	500,000	500,000	225,000	225,000
BEP I	50,000	4,728	—	—
BEP II	80,000	14,642	26,667	4,881
BEP III	80,000	42,493	26,667	14,164
BETP IV	32,806	32,806	10,935	10,935
BCEP I	117,747	27,016	18,992	4,358
BCEP II	160,000	112,284	32,640	22,906
BCP Asia I	40,000	5,869	13,333	1,956
BCP Asia II	100,000	89,186	33,333	29,729
Tactical Opportunities	463,188	211,246	154,396	70,415
Strategic Partners	1,229,655	764,847	1,133,110	702,674
BIP	319,353	92,324	—	—
BXLS	142,057	95,841	37,353	29,963
BXG	150,838	93,183	50,111	31,049
Other (c)	290,209	28,199	—	—
Total Private Equity	6,104,927	2,514,034	2,462,537	1,305,603
Credit & Insurance				
Mezzanine / Opportunistic II	120,000	29,182	110,101	26,774
Mezzanine / Opportunistic III	130,783	38,726	96,654	28,620
Mezzanine / Opportunistic IV	122,000	79,739	115,614	75,565
European Senior Debt I	63,000	16,508	56,882	14,905
European Senior Debt II	92,543	38,459	89,670	37,290
European Senior Debt III	54,323	54,323	18,108	18,108
Stressed / Distressed II	125,000	51,695	119,878	49,576
Stressed / Distressed III	151,000	93,835	146,771	91,207
Energy I	80,000	37,630	75,445	35,487
Energy II	150,000	104,410	148,612	103,445
Energy III	96,979	96,979	32,326	32,326
Credit Alpha Fund	52,102	19,752	50,670	19,209
Credit Alpha Fund II	25,500	12,550	24,385	12,001
Other (c)	149,967	62,419	39,175	6,785
Total Credit & Insurance	1,413,197	736,207	1,124,291	551,298

continued...

Fund	Blackstone and General Partner (a) Original Commitment	Blackstone and General Partner (a) Remaining Commitment	Senior Managing Directors and Certain Other Professionals (b) Original Commitment	Senior Managing Directors and Certain Other Professionals (b) Remaining Commitment
	(Dollars in Thousands)			
Hedge Fund Solutions				
Strategic Alliance I	$ 50,000	$ 2,033	$ —	$ —
Strategic Alliance II	50,000	1,482	—	—
Strategic Alliance III	22,000	15,591	—	—
Strategic Alliance IV	15,000	15,000	—	—
Strategic Holdings I	154,610	24,386	—	—
Strategic Holdings II	50,000	23,930	—	—
Horizon	100,000	27,765	—	—
Dislocation	10,000	7,710	—	—
Other (c)	17,941	8,433	—	—
Total Hedge Fund Solutions	469,551	126,330	—	—
Other				
Treasury (d)	869,226	624,069	—	—
	$ 12,010,728	$ 4,812,321	$ 4,484,659	$ 2,157,033

(a) 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. Additionally, 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.

(b) Includes the full portion of our commitments (i) required to be funded by senior managing directors and certain other professionals and (ii) that are elected by such individuals to be funded for the life of a fund, where such fund permits such election. Excludes amounts that are elected by such individuals to be funded on an annual basis and certain de minimis commitments funded by such individuals in certain carry funds.

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

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

For a tabular presentation of the timing of Blackstone's remaining capital commitments to our funds, the funds we invest in and our investment strategies see "— Contractual Obligations."

Borrowings

As of March 31, 2023, 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)
2.000%, Due 5/19/2025	€	300,000
1.000%, Due 10/5/2026	€	600,000
3.150%, Due 10/2/2027	$	300,000
5.900%, Due 11/3/2027	$	600,000
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
2.550%, Due 3/30/2032	$	500,000
6.200%, Due 4/22/2033	$	900,000
3.500%, Due 6/1/2034	€	500,000
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
3.200%, Due 1/30/2052	$	1,000,000
	$	10,667,800

(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 $4.135 billion unsecured revolving credit facility (the “Credit Facility”) with Citibank, N.A., as administrative agent with a maturity date of June 3, 2027. 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.

For a tabular presentation of the payment timing of principal and interest due on Blackstone's issued notes and revolving credit facility see "— Contractual Obligations."

Contractual Obligations

The following table sets forth information relating to our contractual obligations as of March 31, 2023 on a consolidated basis and on a basis deconsolidating the Blackstone Funds:

Contractual Obligations	April 1, 2023 to December 31, 2023	2024-2025	2026-2027	Thereafter	Total
			(Dollars in Thousands)		
Operating Lease Obligations (a)	$ 117,824	$ 323,747	$ 315,579	$ 700,982	$ 1,458,132
Purchase Obligations	107,815	140,243	51,930	—	299,988
Blackstone Operating Borrowings (b)	—	325,170	1,550,340	8,832,290	10,707,800
Interest on Blackstone Operating Borrowings (c)	263,101	695,848	671,300	3,563,852	5,194,101
Borrowings of Consolidated Blackstone Funds	—	—	—	1,754,992	1,754,992
Interest on Borrowings of Consolidated Blackstone Funds	15,283	40,756	40,756	36,513	133,308
Blackstone Funds Capital Commitments to Investee Funds (d)	244,467	—	—	—	244,467
Due to Certain Non-Controlling Interest Holders in Connection with Tax Receivable Agreements (e)	—	185,598	213,661	1,176,382	1,575,641
Unrecognized Tax Benefits, Including Interest and Penalties (f)	—	—	—	—	—
Blackstone Operating Entities Capital Commitments to Blackstone Funds and Other (g)	4,812,321	—	—	—	4,812,321
Consolidated Contractual Obligations	5,560,811	1,711,362	2,843,566	16,065,011	26,180,750
Borrowings of Consolidated Blackstone Funds	—	—	—	(1,754,992)	(1,754,992)
Interest on Borrowings of Consolidated Blackstone Funds	(15,283)	(40,756)	(40,756)	(36,513)	(133,308)
Blackstone Funds Capital Commitments to Investee Funds (d)	(244,467)	—	—	—	(244,467)
Blackstone Operating Entities Contractual Obligations	$ 5,301,061	$ 1,670,606	$ 2,802,810	$ 14,273,506	$ 24,047,983

(a) We lease our primary office space and certain office equipment under agreements that expire through 2043. 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 our senior notes and secured borrowings assuming no pre-payments are made and the borrowings are held until their final maturity. As of March 31, 2023, we had no borrowings outstanding under our revolver.

(c) Represents interest to be paid over the maturity of our senior notes and secured borrowings which has been calculated assuming no pre-payments are made and debt is held until its final maturity date. These amounts include 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 initial public offering ("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) As of March 31, 2023, there were no Unrecognized Tax Benefits, including Interest and Penalties. 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 $158.8 million and interest of $41.0 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 above contractual obligations table or recorded in our Condensed Consolidated Financial Statements as of March 31, 2023.

Clawback Obligations

Performance Allocations are subject to clawback to the extent that the Performance Allocations received to date with respect to a fund exceed the amount due to Blackstone based on cumulative results of that fund. The amounts and nature 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 1. Financial Statements" of this filing.

Share Repurchase Program

On December 7, 2021, Blackstone's board of directors authorized the repurchase of up to $2.0 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 months ended March 31, 2023, Blackstone repurchased 1.0 million shares of common stock at a total cost of $90.1 million. As of March 31, 2023, the amount remaining available for repurchases under the program was $1.0 billion.

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 stockholders for any ensuing quarter. The dividend amount could also be adjusted upward in any one quarter.

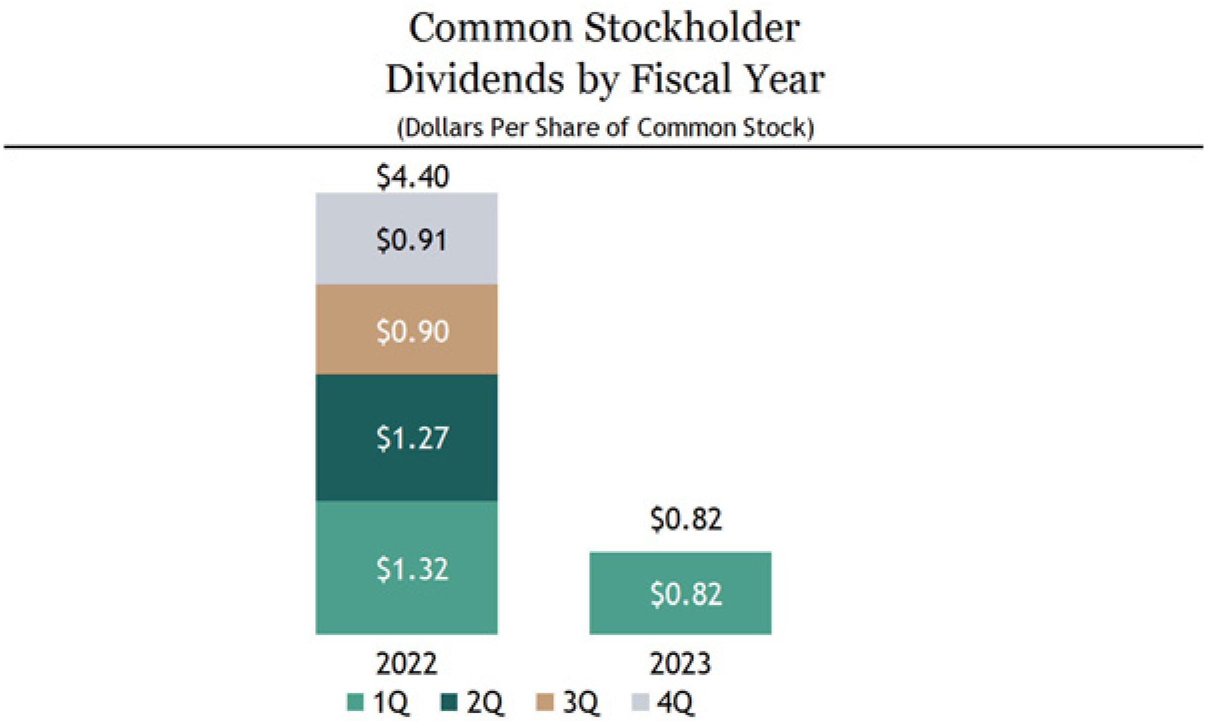
For Blackstone's definition of Distributable Earnings, see "— Key Financial Measures and Indicators."

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 stockholders 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 Blackstone's conversion from a limited partnership to a corporation, 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 stockholder's basis.

The following graph shows fiscal quarterly and annual per common stockholder dividends for 2023 and 2022. Dividends are declared and paid in the quarter subsequent to the quarter in which they are earned.



With respect to the first quarter of fiscal year 2023, we paid to stockholders of our common stock a dividend of $0.82 per share. With respect to fiscal year 2022, we paid stockholders aggregate dividends of $4.40 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 stockholders. In addition to the borrowings from our notes issuances and our revolving credit facility, we may use reverse repurchase agreements, repurchase agreements and securities sold, not yet purchased. 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, March 31, 2023	$ 19.6	$ 3.9
Balance, December 31, 2022	$ 89.9	$ 3.8
Three Months Ended March 31, 2023		
Average Daily Balance	$ 54.3	$ 3.8
Maximum Daily Balance	$ 90.1	$ 3.9

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, 2022. 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 its customers at a fixed percentage of a calculation base which is typically assets under management, net asset value, gross 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 1.75% 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:

- 0.50% to 1.00% of net asset value.

On credit separately managed accounts:

- 0.20% to 1.35% 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 insurance separately managed accounts and investment vehicles:

- 0.25% to 1.00% of net asset value.

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

- 0.20% to 1.50% of net asset value.

On CLO vehicles:

- 0.20% 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 advisers of BREIT and BEPIF receive 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 — 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. Generally, 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, investments in private debt securities 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. A discount to publicly traded price may be appropriate in instances where a legal restriction is a characteristic of the security, such as may be required under SEC Rule 144. 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 Companies' and underlying assets' finance teams and collect financial data used to support projections used in a discounted cash flow analysis. The 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 or capitalization rate, and any other valuation input relevant economic conditions.

The results of all valuations of investments held by Blackstone Funds and investment vehicles are reviewed 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 non-employee directors.

Income Tax

For a description of our accounting policy on taxes and additional information on taxes see Note 2. "Summary of Significant Accounting Policies" and Note 13. "Income Taxes" in the "Notes to Condensed Consolidated Financial Statements" in "Part I. Item 1. Financial Statements" of this filing.

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.

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. To the extent any portion of the deferred tax assets are not considered to be more likely than not to be realized, a valuation allowance is 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.

Recent Accounting Developments

Information regarding recent accounting developments and their impact on Blackstone, if any, 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. Many such reforms and phase outs became effective at the end of 2021 with select U.S. dollar LIBOR tenors persisting through June 2023 and others potentially persisting on a synthetic basis through September 2024. Blackstone has taken steps to prepare for and mitigate the impact of changing base rates and continues to manage transition efforts and evaluate the impact of prospective changes on existing transactions and contractual arrangements. 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, 2022.

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 March 31, 2023 as compared to March 31, 2022 and December 31, 2022. For additional information, refer to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 and our Annual Report on Form 10-K for the year ended December 31, 2022.

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, 2022. 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 condensed 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, 2022 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 factor entitled “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, 2022.

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 three months ended March 31, 2023:

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)
Jan. 1 - Jan. 31, 2023	—	$ —	—	$ 1,108,032
Feb. 1 - Feb. 28, 2023	487,179	$ 93.93	487,179	$ 1,062,271
Mar. 1 - Mar. 31, 2023	512,821	$ 86.46	512,821	$ 1,017,935
	1,000,000		1,000,000	

(a) On December 7, 2021, Blackstone's board of directors authorized the repurchase of up to $2.0 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

Section 13(r) Disclosure

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, Blackstone hereby incorporates by reference herein Exhibit 99.1 of this report, which includes disclosures provided to us by Mundys S.p.A.

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).
99.1*	Section 13(r) Disclosure.
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: May 5, 2023

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 March 31, 2023 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: May 5, 2023

/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 March 31, 2023 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: May 5, 2023

/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 March 31, 2023 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: May 5, 2023

/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 March 31, 2023 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: May 5, 2023

/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.

Exhibit 99.1

Section 13(r) Disclosure

Mundys S.p.A. (formerly “Atlantia S.p.A.”) provided the disclosure reproduced below in connection with activities during the quarter ended March 31, 2023. We have not independently verified or participated in the preparation of this disclosure.

> “Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934. Funds affiliated with Blackstone first invested in Mundys S.p.A. (formerly “Atlantia S.p.A.”) on November 18, 2022 in connection with the voluntary public tender offer by Schema Alfa S.p.A. for all of the shares of Mundys S.p.A., pursuant to which such funds obtained a minority non-controlling interest in Mundys S.p.A. Mundys S.p.A. owns and controls Aeroporti di Roma S.p.A. (“ADR”), an operator of airports in Italy including Leonardo da Vinci-Fiumicino Airport. Iran Air has historically operated periodic flights to and from Leonardo da Vinci-Fiumicino Airport as authorized, from time to time, by an aviation-related bilateral agreement between Italy and Iran, scheduled in compliance with European Regulation 95/93, and approved by the Italian Civil Aviation Authority. ADR, as airport operator, is under a mandatory obligation to provide airport services to all air carriers (including Iran Air) authorized by the applicable Italian authority. The relevant turnover attributable to these activities (whose consideration is calculated on the basis of general tariffs determined by such independent Italian authority) in the quarter ended March 31, 2023 was less than €35,000. Mundys S.p.A. does not track profits specifically attributable to these activities.”